

DTIL/BSE/2018/141

September 1, 2018

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

Sir,

Sub: Annual Report Financial Year 2017-18

Ref: Scrip Code 532329

Pursuant to clause 31 of the Listing Agreement and Regulations 33 & 52 of SEBI Regulations, 2015, please find enclosed declaration to the Annual Report duly signed along with Form A.

Please also find attached six copies of the Annual Reports of the Company for the financial year 2017-18.

Thanking you,

For Danlaw Technologies India Limited



A V R K Varma
Compliance Officer



Encl: as above

Declaration under regulation 33
We hereby declare that there are no
qualifications in the audit report.

1. Name of the Company:	DANLAW TECHNOLOGIES INDIA LIMITED Stand Alone
2. Annual financial statements for the year ended	31 st March 2018
3. Type of Audit observation	Un-qualified
4. Frequency of observation	Not Applicable




Raju S Dandu
Managing Director
DIN: 00073484


A V R K Varma
CFO


T Ravi Kumar
Audit Committee Chairman
DIN: 05306747

CSVR & Associates
Chartered Accountants
FRN: 0121215

Date: May 30, 2018
Place: Hyderabad


(CA. Venkatesh G.)
Partner
Membership No: 239608



From the CEO's desk....



Dear Shareholders,

The Digitalization and the Connectivity have become integral part of automotive industry. The Digital Market Place embraced by the automotive OEMs presents a unique opportunity for our company. Our vast experience as a telematics hardware supplier along with our expertise in the cloud based software applications positions us to play a significant role in the automotive digitalized connectivity space.

In the Connected Vehicles market place, our telematics hardware offers a wide variety of features to make the vehicle smarter. We facilitate services like vehicle diagnostics, proactive maintenance, driver behavior, accident notification, vehicle tracking and internet connectivity just to name a few.

As presented in Roland Berger Connected Vehicles 2017 report, the telematics space is still at a nascent stage in India. The key characteristics of the Indian market is a) Dominance of Commercial Vehicle sector b) Use of basic services.

The CV telematics market is expected to grow at 25% per annum, mainly led by after-market segment and entry level solutions.

The revenue in the "Connected Car" market in India is expected to grow from about 650 Million USD to about 2.5 Billion in 2020. The Safety & Driving assistance revenues are expected to grow about 39% CAGR while Diagnostics & Maintenance is expected to grow at 85% CAGR.

In the CV telematics market, APAC is the second largest market driven by countries such as India, China and Japan. By 2022, APAC is expected to be the leading contributor to global commercial vehicles telematics market.

With our industry knowledge and the innovative solutions developed by our exceptionally talented workforce, Danlaw enables our customers to achieve a greater value chain coverage.

We have reached an exciting stage for our company and we are poised to play a significant role in the Connected Vehicle market place.

Danlaw's acquisition of Titan Timeproducts Limited (TTPL) is expected to reap significant financial and strategic benefits far in excess of the acquisition cost. The acquisition was motivated primarily by the advantages to be accrued from TTPL's state-of-the-art EMS facility located in Goa. The plant has robust manufacturing infrastructure capabilities with strong quality systems and all required certifications in place, enabling it to serve a wide range of sectors. Access to such a readymade facility will save immense time and effort for Danlaw and will provide it with immediate access to the Indian market, both for existing and new customers. It will also provide Danlaw with a manufacturing base for its own products and will help in backward integration.

Going forward, a manufacturing base in India will unlock significant value from the rapidly growing Indian auto components industry which is valued at \$ 43.5 Bn today and is expected to grow four-fold by 2026, becoming the third largest globally. Given the increased pace of global OEM sourcing from India as well as increased indigenization of global OEMs, a local manufacturing base will help Danlaw leverage the growth of the Indian as well as global auto industry. Cost-effective manufacturing, a large pool of skilled and unskilled workers, proximity to key auto markets in Europe and availability of abundant raw materials, all make India an ideal manufacturing base. We believe that the global move towards new technologies in the auto industry and a superior manufacturing base will generate new opportunities for Danlaw..

Summary of financial results:

- Total revenue 1892 lacs as compared to 1258 lacs of previous year
- Profit before tax of 161 lacs vs.160 lacs in previous year
- Danlaw Technologies Inc. our US WOS:
 - Total revenues of \$528 thousand US Dollars
 - Income from Operations \$59 thousand USD

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

I thank the Board of Directors for their continued guidance.

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

Best Regards,
Sincerely Yours,



Raju S. Dandu
Chairman & Managing Director

BOARD OF DIRECTORS

Raju S Dandu
Chairman & Managing Director

K N Praveen Kumar
Director

M A Ashok Kumar
Director

N S Sappata
Director

T Ravi Kumar
Director

P Sundaramma
Director

MANAGEMENT TEAM

B V Ramana
Chief Technology Officer - Global

Rajendar Kumar Shevade
Chief Operating Officer

G Govardhan Rao
Executive Vice President

Y V Subramanyam
Vice President- ISS Division

A V R K Varma
Chief Financial Officer

V Padmaja
Company Secretary

REGISTERED OFFICE

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

USA SUBSIDIARY

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

AUDITORS

M/s. CSVR & Associates
Chartered Accountants,
Flat No.F-2, Trendset Ville,
Road No.3, Bajara Hills
Hyderabad - 500034

BANKERS

HDFC Bank Ltd. ,
Banjara Hills Branch,
Hyderabad.

SBI - IFB
Somajiguda, Hyderabad.

**DEPOSITORY REGISTRARS & SHARE
TRANSFER AGENTS**

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

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NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the Company will be held on Saturday, the 29th day of September 2018 at 10.00 a.m. at the Registered Office of the Company at Plot No. 43, Sagar Society, Road No. 2, Banjara Hills, Hyderabad, Telangana - 500034, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2018 including the audited Balance Sheet as at March 31, 2018, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of M/s. CSVR & Associates, Chartered Accountants (Firm Registration No. 012121S), as Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty sixth AGM of the Company to be held in the year 2019 at such remuneration plus service tax, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

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

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

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

Place: Hyderabad
Date: 14.08.2018

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN: 00073484

NOTES:

1. **A member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the company.** The instrument appointing a proxy should however be deposited at the registered office, not less than 48 hours before the commencement of meeting.
2. Members / Proxies are requested to bring copies of Annual Report along with them and the duly filled-in attendance slips for attending the meeting. No copies of Annual Report will be distributed at the meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 22nd September 2018 to 29th September 2018 (both days inclusive).
4. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 21st September 2018, to facilitate the compilation of data for clarifications.
5. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Electronic) to M/s. Karvy Computershare Private Limited, at Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana State (TS) India. E-mail: einward.ris@karvy.com
6. The Notice of the AGM along with the Annual Report 2017-18 is being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purpose unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2017-18 are being sent by the permitted mode.
7. Members may also note that the Notice of the AGM along with Annual Report 2017-18 will be available on the Company's website, www.danlawtechnologies.com
8. In compliance with the provisions of section 108 of the Companies Act, 2013 and the Rules framed thereunder and as per listing agreement, the members are provided with the facility to cast their vote electronically, through the e-voting services provided by Karvy Computershare Private Limited, on all the resolutions set forth in this Notice.
9. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on this cut-off date (21st September 2018). A person whose name is recorded in the Register of Members or in the Register of Beneficial owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of e-voting as well as voting at the Annual General Meeting through Ballot paper.
10. Any person who acquires shares of the company and becomes member of the company after the date of dispatch of Notice and holds shares as on the cut-off date may obtain the User ID and password/PIN by sending a request to Karvy Computershare Private Limited.
11. The facility of voting through Ballot paper will be provided at the Annual General Meeting. Members attending the meeting and who have not cast their vote earlier by remote e-voting shall be able to vote at the meeting. Members can participate in the Annual General Meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting. Once the vote on a resolution is cast by the member by remote e-voting, he shall not be allowed to modify the same or cast vote again.

12. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at <https://evoting.karvy.com> or contact on 1-800- 3454001(toll free) or contact Mr. Sandeep Sanghi on (040) 67161753

Place: Hyderabad
Date: 14.08.2018

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN: 00073484

EXPLANATORY STATEMENT

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

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

Item No. 2

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

M/s. CSVR & Associates, Chartered Accountants (Firm Registration No. 003246S) were appointed as the statutory auditors of the company for a period of five years at the Annual General Meeting (AGM) of the Company held on September 30, 2017.

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

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

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

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

Item No. 3

The Board of Directors re-appointed Mr. Raju S Dandu as the Chairman & Managing Director of the Company with effect from 1st April 2016 for a term of five years. The appointment was approved by the members of the Company at the annual general meeting held on 30th September 2016. In compliance of Section 152 of the Companies Act, 2013 Mr. Raju S Dandu who retires by rotation is to be re-appointed as Director of the Company..

The Board commends the Resolution at item No. 3 for approval by the Members. Mr. Raju S Dandu is considered as concerned or interested in the said resolution. None of other Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMPs is concerned or interested in the Resolution at item no. 3 of the accompanying Notice.

Place: Hyderabad
Date: August 14, 2018

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN: 00073484

DIRECTORS' REPORT

To,
The Members,

The Directors submit annual report of Danlaw Technologies India Limited (DTIL) along with the audited financial statements for the financial year ended March 31, 2018. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2017-18			2016-17		
	DTIL	WOS	Cons.	DTIL	WOS	Cons.
Net sales/Income from operations	1820.83	137.24	1958.07	1149.29	152.58	1301.87
Other Income	71.51	1.34	72.85	109.16	-	109.15
Total Income	1892.34	138.57	2030.91	1258.45	152.57	1411.02
Cost of materials	693.54	-	693.54	180.21	-	180.21
Employee's Cost	772.78	88.49	861.27	707.93	93.26	801.09
Finance cost	0.63	-	0.63	2.31	-	2.31
Depreciation	18.75	-	18.75	19.25	-	19.25
Other Expenses	245.64	10.52	256.16	188.91	12.07	200.98
Total Expenses	1731.34	99.01	1830.35	1098.61	105.23	1203.84
Profit / (Loss) before tax	161.00	39.56	200.56	159.84	47.34	207.18
Current Tax	35.95	7.70	43.65	35.66	9.10	44.76
Deferred Taxes	13.33	-	13.33	319.69	-	319.69
Profit / (Loss) after tax	111.72	31.86	143.58	(195.51)	38.24	(157.27)
Paid up equity share capital	370.75	295.66	370.75	372.03	295.66	372.03
Reserves and Surplus (excl. revaluation reserve)	2015.59	222.81	2238.40	1908.24	196.58	2104.82
Earnings per share - Basic	3.01		3.87	(5.26)		(4.23)
Earnings per share - Diluted	3.01		3.86	(5.26)		(4.23)

Dividend

In view of requirement of funds for expansion / operations, the Board of Directors of your Company does not recommend any dividend for the financial year 2017-18.

Transfer to Reserve

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

Company's Performance (Stand Alone)

Revenue from operations has increased by about 58% to Rs.1820.83 lacs. The net Profit before Extraordinary items and Tax for the fiscal year is Rs.161.00 lacs as compared to a Profit of Rs.159.84 lacs in the previous year. Due to lapse of brought forward loss from earlier years the deferred tax asset has impacted with a reduction of Rs.319.69 lacs in the year 2016-17. Your management continued to control the costs without compromising the future delivery capacity.

The other income of Rs.71.51 lacs includes about Rs.56.17 lacs of interest income. The management continues to put efforts to collect all the receivables from our customers.

Change in the nature of business, if any

There is no change in the nature of business.

Events subsequent to the date of financial statement

The Company has acquired Titan TimeProducts Limited, Goa having the electronics assembly lines for a consideration of Rs.18.50 crores through share purchase agreement on 18th June, 2018. Thus Titan Timeproducts Ltd has become a 100% subsidiary and subsequently name changed to Danlaw Electronics Assembly Limited. The acquisition is to facilitate the need of the company to manufacture its electronic products utilizing the assembly lines and expertise of Titan Time Products Limited.

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

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

Internal financial control systems and their adequacy

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

Subsidiary Companies

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

Deposits from public

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

Auditors

In terms of the provisions of Section 139(1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the Company appointed the Statutory Auditors for a period of 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. As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the members at every AGM. Therefore, the Board of Directors recommend to the Members for ratification accordingly.

Auditors' report and secretarial auditors' report

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

Extract of the Annual Return

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

Conservation of energy and technology absorption**a) Conservation of energy**

Your Company is engaged in the business of software and information technology and has no specific activities relating to conservation of energy and technology absorption as required to be disclosed under

Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014. The Company has taken necessary measures wherever possible for the conservation of energy. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

b) Research & Development and Technology Absorption:

(i) R & D: Your Company has a team of people working on R & D. This year no revenue expenditure was deferred.

(ii) Technology Absorption: Your Company continues to use state of the art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

Foreign exchange earnings and outgo:

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

Particulars	2017-2018	2016-2017
Earnings	8,91,12,870	8,99,06,509
Outgo	7,16,69,998	57,50,750

Corporate social responsibility policy

Not applicable

Directors and Key Managerial Personnel

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

Key managerial personnel

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

Meeting of the Board of Directors

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

Board Evaluation

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

directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

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

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

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

Audit Committee

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

Nominations and Remuneration Committee

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

Particulars of loans, guarantees or investments under section 186

In the Financial Year 2017-18, the Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is higher, as prescribed in Section 186 of the Companies Act, 2013.

Particulars of contracts or arrangement with related parties:

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

Managerial Remuneration

- a. The ratio of remuneration of Managing Director to the median remuneration of the employees of the Company for the financial year: 4.90
- b. No other directors are paid remuneration except sitting fees
- c. There is no increase in the remuneration of MD in the financial year.
- d. The number of permanent employees on the rolls of the Company: 104

Particulars of employees

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

Disclosure requirements

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

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

Disclosure about cost audit

Not applicable to the Company

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

The Secretarial audit report for the financial year 2017-18 has briefed on compliance of industry based disclosures and concerned laws governing the company.

DIRECTORS RESPONSIBILITY STATEMENT

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

- I. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants and the reviews performed by management and the relevant board committees, including the audit committee, the board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

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 : May 30, 2018**

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

Form AOC-I

ANNEXURE I

**(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of
Companies (Accounts) Rules, 2014)
Part "A": Subsidiaries**

1. Sl. No.	:	1
2. Name of the Subsidiary	:	DANLAW TECHNOLOGIES INC
3. Reporting period of the subsidiary concerned, If different from the holding company's reporting Period	:	Same as of holding company April 1 to March 31
4. Reporting currency and exchange rate as on the Last date of relevant financial year in the case of Foreign subsidiaries.	:	United States Dollar (USD) Rs.64.12 per USD
5. Share capital	:	Rs.2,95,66,245
6. Reserves & surplus	:	Rs.1,08,09,670
7. Total Assets	:	Rs.7,16,40,250
8. Total Liabilities	:	Rs.1,97,93,780
9. Investments	:	Rs.Nil
10. Turnover	:	Rs.3,41,53,608
11. Profit before taxation	:	Rs.39,56,617
12. Provision for taxation	:	Rs.7,70,550
13. Profit after taxation	:	Rs.31,86,067
14. Proposed dividend	:	Nil
15. % of share holding	:	100%

Form No. AOC-2

ANNEXURE II

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

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

1. Details of contracts or arrangements or transactions not at arm's length basis: Danlaw Technologies India Limited (DTIL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2017-18.

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

Fuzhou Danlaw Xicheng Electr. Tech Co. Ltd

DSN Raju / D Lakshmi

b. Nature of contracts / arrangements / transactions:

Electronic hardware sales, IT/ITES Services with DTI and DI

Contract manufacturing of electronic goods with Fuzhou Danlaw Xicheng

Electr. Tech Co. Ltd

Lease rent agreement for office premises with DSN Raju / D Lakshmi

c. Duration of the contracts / arrangements / transactions: On going

d. Salient terms of the contracts or arrangements or transactions including the Value, if any:

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

DTIL shall provide the technical drawings, design, specifications etc to Fuzhou Danlaw Xicheng Electr. Tech Co. Ltd for contract manufacture of automotive electronics.

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

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

f. Amount paid as advances, if any: Nil

On behalf of the board of directors,

Raju S Dandu

Chairman & Managing Director

May 30, 2018

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on March 31, 2018

[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: L72200TG1992PLC01509
- ii. Registration Date: December 3, 1992
- iii. Name of the Company: Danlaw Technologies India Limited
- iv. Category / Sub-Category of the Company: Company Limited by shares / Indian Non-Government Company
- v. Address of the Registered office and contact details:
 43, Sagar Society,
 Road No.2, Banjara Hills, Hyderabad 50034.
 Tel: 91 40 2354 2499, Fax: 91 40 2354 1671
 Email: investor.relations@danlawtechnologies.com
 Website: www.danlawtechnologies.com
- vi. Whether listed company: Yes
- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any
 KARVY COMPUTERSHARE PVT LTD
 Karvy Selenium, Tower B
 Plot Number 31 & 32, Financial District, Gachibowli
 Hyderabad 500 008
 Tel: 91 40 6716 1605,
 Email: einwards.ris@karvy.com
 Website: www.karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1	Computer Programming, Consultancy and Related Activities	620	83
2	Industrial electronics	264	4
3	Security Solutions (Trading)	474	13

III. Particulars of Holding, Subsidiary, Associate Companies

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

Country: USA

Address: 41131, Vincenti Court, Novi, MI 48375

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

I. Category-wise Share Holding

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2017				No. of Shares held at the end of the year i.e 31.03.2018				% Change during the year
		Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
	A. Promoters									
a.	Individuals/ Hindu Undivided Family	265913	0	265913	7.15	265913	0	265913	7.17	0.02
b.	Central Government /State Governments(s)	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	1461592	0	1461592	39.29	1461592	0	1461592	39.42	0.13
d.	Financial Institutions/ Banks	0	0	0	0	0	0	0	0	0
	Sub-Total(A)(1)	1727505	0	1727505	46.43	1727505	0	1727505	46.60	0.15
	2. Foreign									
a.	Individuals (Non-Resident Individuals / Foreign Individuals)	123300	0	123300	3.31	123300	0	123300	3.33	0.02
b.	Bodies Corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Others-Trust	0	0	0	0	0	0	0	0	0
	Sub - Total(A)(2)	123300	0	123300	3.31	123300	0	123300	3.33	0.02
	Total Shareholding of Promoter and Promoter Group (A)	1850805	0	1850805	49.75	1850805	0	1850805	49.42	0.017

	Category of Shareholders	No. of Shares held at the beginning of the year i.e 01.04.2017				No. of Shares held at the end of the year i.e 31.03.2018				% Change during the year
		Demat	Physical	Total	%of Total Shares	Demat	Physical	Total	%of Total Shares	
B.	Public Shareholding									
1.	Institutions									
a.	MutualFunds / UTI	0	0	0	0	0	0	0	0	0
b.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
c.	Central Government / State Governments(s)	43000	0	43000	1.16	43000	43000	43000	1.16	0
d.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	0	0	0	0	0	0	0	0	0
f.	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Foreign Portfolio Investors (Corporate)	0	0	0	0	0	0	0	0	0
j.	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub - Total(B)(1)	43000	0	43000	1.16	43000	0	43000	1.16	0
2.	Non- Institutions									
a.	Bodies Corporate	263035	1400	264435	7.11	130561	1400	131961	3.56	-3.55
b.	Individuals-									
i.	Individual shareholders holding nominal share capital up to 2 lakh	1238976	17616	1256592	33.78	1296680	17616	1314296	35.45	1.67
ii.	Individual shareholders holding nominal share capital in excess of 2 lakh	272648	0	272648	7.33	319983	0	319983	8.63	1.30
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other NRI	27408	0	27408	0.73	42023	0	42023	1.14	0.41
i.	Foreign Companies	0	0	0	0.000	0	0	0	0.000	0.000
ii.	Clearing Members/ Clearing House	5412	0	5412	0.15	5422	0	5422	0.15	0
	Sub-total (B) (2)	1807479	19016	1824695	49.10	1794669	19016	1813685	48.92	-0.18
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1850479	19016	1869495	50.25	1837669	19016	1856685	50.08	-0.17
	TOTAL(A)+(B)	3701284	19016	3720300	100.000	3688474	19016	3707490	100.000	0.000
C.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRANDTOTAL (A)+(B)+(C)	3701284	19016	3720300	100.000	3688474	19016	3707490	100.000	0.00

ii. Shareholding of Promoters

Sr. No.	Share holder's Name	Shareholding at the beginning of the year 01.04.2017			Share holding at the end of the year 31.03.2018			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ en- cumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1.	Danlaw Systems India Ltd	1461592	39.29	0.00	1461592	39.42	0	0.00
2.	Srinivas Dandu	63200	1.70	0.00	63200	1.70	0.00	0.00
3.	Pallavi Dandu	60100	1.62	0.00	60100	1.62	0.00	0.00
4.	Lakshmi Dandu	59000	1.59	0.00	59000	1.59	0.00	0.00
5.	D Lakshmi	60100	1.62	0.00	60100	1.62	0.00	0.00
6.	D Venkat Raju	52800	1.42	0.00	52800	1.42	0.00	0.00
7.	Pallamma Dandu	46300	1.24	0.00	46300	1.24	0.00	0.00
8.	D Praveen Varma	39713	1.07	0.00	39713	1.07	0.00	0.00
9.	B V Ramana	8000	0.22	0.00	8000	0.22	0.00	0.00
	Total	1850805	49.75	0.00	1850805	49.92	0.00	0.00

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

Sr. No		Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	There is no change in Promoters' Shareholding between 01.04.2017 to 31.03.2018			
2.	Date wise Increase/Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment /transfer / bonus/sweatequity etc):				
3.	At the end of the year				

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

Sr. No.	Top 10 Shareholders*	Share holding at the beginning of the year 01-04-2017		Cumulative Shareholding end of the year 31-03-2018	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	V Subba Raju Namburi	56500	1.52	56500	1.52
2.	Rajesh Joseph	-	-	50000	1.35
3.	Vibhav Mishra	44834	1.21	45984	1.24
4.	Karthik Reddy A	42000	1.13	44085	1.19
5.	Pannu Bhansali	26134	0.70	28134	0.76
6.	Anita Dalal	17000	0.46	27500	0.74
7.	Anita Deepak Dalal	-	-	22500	0.61
8.	DilipNagda	22600	0.61	22350	0.60
9.	Vivekanand Gangaramani	-	-	19500	0.53
10.	Rejesh Kumar Jain	19450	0.52	18350	0.49

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

v. Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Folio/ Beneficiary Account no	Name of the Share Holder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
					No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Nil	Nil	1-Apr-2017	At the beginning of the year	Nil	Nil	Nil	Nil
			31-Mar-18	At the end of the year	Nil	Nil	Nil	Nil
				Total:	Nil	Nil	Nil	Nil

VI. INDEBTEDNESS

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

(In Rs.)

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sr. No.	Particulars of Remuneration	
		Mr.Raju S Dandu CEO & MD
1.	Gross salary	In Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income - tax Act, 1961	18,00,000
	(b) Value of perquisites u/s 17(2) of the Income- tax Act, 1961	9,617
	(c) Profits in lieu of salary under Section17(3) of the Income tax Act,1961	-
2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as% of profit	-
5.	Others, Allowances	-
	Total(A)	18,09,617

B. Remuneration to other directors:

In Rs.

Sr. No.	Particulars of Remuneration	Fee for attending board /committee meetings	Others, please specify	Total Amount
1.	Independent Directors			
	Mr. M A Ashok Kumar	50,000	—	50,000
	Mr. N S Sappata	1,00,000	—	1,00,000
	Mr. T Ravi Kumar	1,00,000	—	1,00,000
	Mr. K N Praveen Kumar	1,00,000	—	1,00,000
	Smt. P Sundaramma	1,00,000	—	1,00,000
	Total (1)	4,50,000		4,50,000

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

In Rs.

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr.A V R K Varma CFO	Mrs. Padmaja V Company Secretary	Total
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income - tax Act, 1961	15,64,200	1,89,408	17,53,608
	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	15,64,200	1,89,408	17,53,608

VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2018.

Form No. MR-3
SECRETARIAL AUDIT REPORT

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

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018

To,
The Members,
Danlaw Technologies India Limited
Hyderabad

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018 according to the provisions of:
 - (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
2. Provisions of the following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') were not applicable to the Company under the financial year under report:-

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

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

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

I further report that

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

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

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

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

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

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

Place : Hyderabad
Date : 14.08.2018

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

ANNEXURE - A

To,
The Members,
Danlaw Technologies India Limited
Hyderabad

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

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

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

Place : Hyderabad
Date: 14.08.2018

REPORT ON CORPORATE GOVERNANCE

1. The Philosophy and the Policy

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

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

2. The Board and its Meetings

The Board consists of six directors of whom five are Independent Non-Executive directors.

Five meetings were held during the Financial Year 2017-2018 on 20th May 2017, 12th August 2017, 22nd September 2017, 31st October 2017, 23rd January 2018 and 23rd January 2018 (Independent Directors exclusive meeting).

The particulars of directors, their attendance and other directorships, memberships / chairmanships of committees for the financial year 2017-2018 are given below:

Name	Category	Attendance At		Particulars of other Indian Directorships, Committee Memberships/Chairmanships		
		Board	Last AGM	Directorship	Committee Membership	Committee Chairmanship
Raju S Dandu	Promoter Executive	5	Yes	1	Nil	Nil
M. A. Ashok Kumar	Independent Non-executive	5	Yes	Nil	Nil	Nil
Naga Satyanarayana Sappata	Independent Non-executive	6	Yes	Nil	Nil	Nil
K N Praveen Kumar	Independent Non-executive	6	Yes	Nil	Nil	Nil
T Ravikumar	Independent Non-executive	6	Yes	Nil	Nil	Nil
P Sundaramma	Independent Non-executive	5	NO	Nil	Nil	Nil

3. The Committees of the Board

a) Audit Committee

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

The Committee met four times during the financial year 2017-2018, on 20th May 2017, 12th August 2017, 31st October 2017, and 23rd January 2018.

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

b) Nominations and Remuneration Committee

The company has a Nominations Committee comprising the Non-executive Directors Mr. M A Ashok Kumar [Chairman], Mr. Naga Satyanarayana Sappata, Mr. Ravi Kumar Tamma. The terms of reference are review of the compensation policy for the Executive Directors. Accordingly, they are authorised to negotiate, finalise and approve the terms of appointment for Managing Director/Whole-time Directors on behalf of the company.

Details of remuneration to directors

Non-Executive directors are not paid any remuneration, except sitting fee @ Rs.10,000/- per meeting attended by them.

The Managing Director is paid monthly remuneration by way of salary as approved by the committee, board and the members. The following is the remuneration paid to the directors during the financial year 2017 - 2018:

Name	Salary	Contribution To PF	Perks	Sitting Fee	TOTAL
Raju S Dandu	18,00,000	2,16,000	9,617	-	20,25,617
M A Ashok Kumar	-	-	-	50,000	50,000
Naga Satyanarayana Sappata	-	-	-	1,00,000	1,00,000
Mr. T Ravi Kumar	-	-	-	1,00,000	1,00,000
Smt. P Sundaramma	-	-	-	1,00,000	1,00,000
Mr. K N Praveen Kumar	-	-	-	1,00,000	1,00,000

c) Share Transfer and Investors' Grievance Committee

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

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

4. General Body Meetings

Year	Meeting	Date, Venue & Time	Special Resolutions passed at the meetings
2014-2015	AGM	30th September, 2015 Regd. Office 10.00 a.m.	Regularize the appointment of Smt. P Sundaramma as independent director
2015-2016	AGM	30th September, 2016 Regd. Office 10.00 a.m.	Re-appointment of Mr. Raju S Dandu as Managing Director
2016-2017	AGM	29th September, 2017 Regd. Office 10.00 a.m.	-

5. Disclosures

i. Related Party transactions

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

ii. Details of non-compliance by the Company, penalties, strictures imposed on the Company by the stock exchanges or the securities and exchange board of India or any statutory authority, on any matter related to capital markets, during the last three years and 2017-18 respectively: Nil

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

iv. Reconciliation of share capital audit:

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

vi. Code of Conduct

The members of the board and senior management personnel have affirmed the compliance with the code applicable to them during the year ended March 31, 2018. The Annual Report of the Company contains a Certificate by the CEO and Managing Director in terms of Clause 49 of the listing agreement based on the compliance declarations received from Independent Directors and Senior Management.

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

The details of transactions with related parties are given in 28 of the 'Notes on Accounts' at page no. 56 forming part of the accounts. There were no potentially conflicting transactions with the related parties. There were no 'charges of non-compliance' against the company.

6. Means of Communication

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

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

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

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

Place: Hyderabad
Date : Aug 14, 2018

Raju S Dandu
Chairman & Managing Director
DIN: 00073484

CERTIFICATE OF COMPLIANCE

TO THE MEMBERS OF DANLAW TECHNOLOGIES INDIA LIMITED

I have examined the compliance of the conditions of Corporate Governance by Danlaw Technologies India Limited for the year ended March 31, 2018 as stipulated in Clause 49 of the Listing Agreement of the said Company entered into with Stock Exchange.

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

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

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

Place : Hyderabad
Date : Aug 14, 2018

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

GENERAL SHAREHOLDER INFORMATION

(A) GENERAL INFORMATION

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

(B) OTHER INFORMATION

Annual General Meeting

Day : Saturday
 Date : 29th September 2018
 Time : 10.00 AM
 Venue : Registered Office at
 Plot No.43, Sagar Society,
 Road No.2, Banjara Hills,
 Hyderabad 500 034.

Dates of Book Closure : 22nd to 28th September, 2018
 (both days inclusive)

Financial Year : 1st April 2017 to 31st March 2018

Listing Details : Bombay Stock Exchange Limited

Stock Code : 532329

ISIN for NSDL & CDSL : INE310B01013

(C) Market Price Data & Comparison with BSE Sensex

Month	Danlaw		Sensex	
	High	Low	High	Low
April 2017	54.90	47.00	30184.22	29241.48
May	51.85	41.00	31255.28	29804.12
June	68.00	43.15	31522.87	30680.66
July	61.85	47.05	32672.66	31017.11
August	55.90	46.05	32686.48	31128.02
September	60.90	46.10	32524.11	31080.83
October	65.10	57.30	33340.17	31440.48
November	84.50	59.05	33865.95	32683.59
December	90.50	66.65	34137.97	32565.06
January 2018	100.15	70.00	36443.98	33703.37
February	91.90	63.00	36256.83	33482.81
March	75.70	66.00	34278.63	32483.84

Source: www.bseindia.com

(D) Distribution of Shareholding as on March 31, 2018

Category	Shareholders	%	Share Amount INR	%
1 - 5000	1998	79.63	2642970	7.12
5001 - 10000	218	8.69	1808050	4.88
10001 - 20000	121	4.82	1859830	5.02
20001 - 30000	47	1.87	1196140	3.23
30001 - 40000	24	0.96	864730	2.33
40001 - 50000	18	0.72	844720	2.28
50001 - 100000	46	1.83	3223640	8.69
100001 & Above	37	1.48	24634820	66.45
Total	2509	100.00	37074900	100.00

(E) Categories of Shareholders as on March 31, 2018

Category	Shares	%
Promoters & Promoter Group	1850805	49.92
Banks / FIs / MFs / Governments	0	0
Bodies Corporate	131961	3.56
NRIs / OCBs	42023	1.13
Indian Public	1677279	45.24
Clearing Members	5422	0.15
Total	3707490	100.00

(F) Shares & Dematerialization

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

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

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

Commercial Vehicle Telematics Market Outlook in India

The Frost & Sullivan analysis highlights the following:

The installation of vehicle tracking systems was a priority during the 11th Five-Year plan. Several pilot projects have been initiated to track the movement of vehicles transporting Targeted Public Distribution System (TPDS) commodities.

The concentration of telematics users is high in large fleet owners having tie ups with companies in the manufacturing segment.

The rising number of collaborations between truck manufactures and aftermarket telematics vendors will help fuel the growth in the CV Telematics segment.

Vehicle telematics is gaining popularity mainly due to its advantages such as safety, information, navigation and remote diagnostics.

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.

Opportunities and Threats

Opportunities

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 changing ecosystem will also lead to new alliances, roles and underlying principles.

- The auto insurance groups can team up with telematics providers to get access to driver data.
- Hardware companies become analytics provider.

The opportunities for Indian telematics providers...

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

The hardware is a fast-growing segment within telematics market with 21% CAGR till 2022. Services is the fastest growing with 25% CAGR till 2022.

Threats, Risks and Concerns

The Indian telematics industry is 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.

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

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

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

Performance and Outlook

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

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

Business Outlook

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

Internal Control System and its Adequacy

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

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

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

procedures, which cover the effective and efficient financial administration of the Company.

Financial Performance

During the year under review the Paid up Share Capital of the Company as on date is Rs. 3,70,74,900/ comprising of 37,07,490 Equity Share of Rs. 10/ each. Your company has bought back 12,810 shares @Rs.65/- per share during the year. Your company hasn't gone for any issue of share during the fiscal year 2017-18.

The net sales for current year are Rs.1958.07 Lakhs as compared to Rs.1301.87 Lakhs in the last fiscal year. The net profit before extraordinary items and tax is Rs.200.56 Lakhs as compared to Rs.207.18Lakhs in the previous FY.Net profit after tax and exceptional items is Rs. 143.58 Lakhs as compared to loss of Rs.157.27 Lakhs in the previous FY. Total comprehensive Income for the current year Rs.140.62 lakhs as compared to loss of Rs.173.41 lakhs in previous FY.

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 101 Employees.

Cautionary Statement

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

CERTIFICATION BY CEO & CFO OF THE COMPANY

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

1. We have reviewed the Balance Sheet, Profit and Loss Account, its schedules & notes to the accounts and cash flow statement for the year ended 31st March 2018 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes in internal control during the year;
 - b) significant changes in accounting policies during the year and the same have been disclosed in notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

PLACE : HYDERABAD

DATE : May 30, 2018

(RAJU S DANDU)

Chairman & Managing Director
DIN: 00073484

(AVRK VARMA)

General Financial Officer

INDEPENDENT AUDITOR'S REPORT

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

Report on the Separate IND AS Financial Statements

We have audited the accompanying separate Ind AS financial statements of **DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, 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 then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Separate 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 separate 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, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 separate Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these separate Ind AS financial statements based on our audit.

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the separate Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the separate Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the separate Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the separate Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the separate Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid separate Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March, 2018, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government 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.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid separate Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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.

Place: Hyderabad
Date: 30.05.2018

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

**(CA.VENKATESH G.)
PARTNER
Membership No.239608**

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements, of our report of even date)

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets of the company have been physically verified by the management during the year as per a programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The company has not 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 in terms of directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under subsection (1) of section 148 of the Companies Act.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, gst, service tax, custom duty, excise duty, cess and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, service tax, sales tax, gst, customs duty, excise duty and cess were in arrears, wherever applicable, as at 31st March, 2018 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of sales tax, gst, income tax, customs duty, service tax, excise duty and cess which have not been deposited on account of any dispute.

- (viii) The company has not 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 section 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: 30.05.2018

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

(CA.VENKATESH G.)
PARTNER
Membership No.239608

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 2018 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 separate 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.

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 separate 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 separate 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 separate 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 2018, 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: 30.05.2018

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

**(CA.VENKATESH G.)
PARTNER
Membership No.239608**

BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	86,35,601	64,97,519	58,19,989
Other intangible assets	4	3,68,504	4,17,638	9,05,495
Financial assets				
(a) Investments	5	2,95,66,245	2,95,66,245	2,95,66,245
(b) Other financial assets (carried at amortised cost)	6	15,90,262	15,03,693	13,53,194
Deferred tax assets (net)	15	17,15,930	34,22,047	3,51,22,360
Other non-current assets	7	38,147	1,14,234	1,90,320
Total Non - Current Assets		4,19,14,689	4,15,21,376	7,29,57,603
Current Assets				
Inventories	8	1,84,67,983	48,46,581	57,97,152
Financial assets				
(a) Trade receivables	9	13,71,73,903	5,34,90,492	2,16,25,747
(b) Cash and cash equivalents	10	8,45,98,213	12,93,51,643	15,07,59,335
(c) Other financial assets (carried at amortised cost)	6	17,56,411	22,77,284	17,73,873
Current tax assets	15	19,79,739	38,19,247	25,12,216
Other current assets	7	39,71,328	35,88,693	26,42,058
Total Current assets		24,79,47,577	19,73,73,940	18,51,10,381
Total Assets		28,98,62,266	23,88,95,316	25,80,67,984
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	3,70,74,900	3,72,03,000	3,72,03,000
Other equity	12	20,15,59,390	19,08,24,314	21,09,19,317
Equity attributable to owners of the Company		23,86,34,290	22,80,27,314	24,81,22,317
Current liabilities				
Financial liabilities				
(a) Trade payables	17	4,18,56,159	11,50,551	31,92,267
(b) Other financial liabilities	13	2,47,034	98,372	6,05,090
Provisions	14	17,27,352	19,28,900	7,83,417
Current tax liabilities, net	15	35,95,098	30,24,286	26,86,057
Other current liabilities	16	38,02,333	46,65,893	26,78,836
Total Current liabilities		5,12,27,976	1,08,68,002	99,45,667
Total Equity and liabilities		28,98,62,266	23,88,95,316	25,80,67,984
Corporate information and significant accounting policies				
The accompanying notes form an integral part of the financial statements	1&2 3-29			

As per our report attached

for and on behalf of the Board

For **CSVR & ASSOCIATES**

Chartered Accountants

FRN: 012121S

(CA.VENKATESH G.)

Partner

Membership No: 236908

Hyderabad

May 30, 2018

RAJU S DANDU

Chairman &

Managing Director

DIN: 00073484

A V R K VARMA

Chief Financial Officer

RAVI KUMAR TAMMA

Director

DIN: 05306747

V Padmaja

Company Secretary

Membership No: ACS 30999

Statement of Profit and Loss for the period ended March 31, 2018

in Rs.

Particulars	Notes	For the Year ended March 31, 2018	For the Year ended March 31, 2017
INCOME			
Revenue from operations	18	18,20,83,029	11,49,29,327
Other income (net)	19	71,50,563	1,09,15,640
Total income		18,92,33,592	12,58,44,967
EXPENSES			
Cost of materials consumed	21	6,26,48,299	59,91,126
Purchases of stock-in-trade		56,27,076	1,02,02,253
Changes in inventories of finished goods and work-in-progress	22	10,78,836	18,27,451
Employee benefits expense	20 & 26	7,72,78,468	7,07,92,976
Finance costs	23	62,813	2,31,042
Depreciation and amortisation expense	24	18,74,760	19,24,604
Other operating expenses	25	2,45,63,695	1,88,91,357
Total expenses		17,31,33,947	10,98,60,809
Profit before tax		1,60,99,644	1,59,84,157
Tax expense			
Current tax	15	35,95,098	35,66,282
Deferred tax	15	13,32,739	3,19,68,972
Total tax expense		49,27,837	3,55,35,254
Profit for the year		1,11,71,807	(1,95,51,097)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		3,69,674	(8,12,566)
(b) Income tax relating to items that will not be reclassified to profit or loss		(1,01,854)	2,68,659
Total other comprehensive income/(Losses)		2,67,820	(5,43,907)
Total comprehensive income for the year		1,14,39,627	(2,00,95,004)
Earnings per equity share			
(Equity shares, par value of Rs. 10 each)			
Basic (Rs.)	29	3.01	(5.26)
Diluted (Rs.)		3.01	(5.26)
Corporate information and significant accounting policies			
The accompanying notes form an integral part of the statements	3-29		

As per our report attached

for and on behalf of the Board

For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 012121S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.VENKATESH G.)
Partner
Membership No: 236908
Hyderabad
May 30, 2018

A V R K VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No: ACS 30999

Statement of changes in equity for the year ended March 31, 2018

a. Equity

Particulars	Number of Shares	Amount
Issued and Paid up Capital at April 1, 2015	37,20,300	3,72,03,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2016	37,20,300	3,72,03,000
Changes in equity share capital during the year	-	-
Balance at March 31, 2017	37,20,300	3,72,03,000
Changes in equity share capital during the year	(12,810)	(1,28,100)
Balance at March 31, 2018	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 April 1, 2015	26,58,07,400	(7,38,75,173)		19,19,32,227
Remeasurement of net defined benefit liability/asset, net of tax effect		-	(22,691)	(22,691)
Profit for the year		1,90,09,781		1,90,09,781
Balance at March 31, 2016	26,58,07,400	(5,48,65,392)		21,09,19,317
Remeasurement of net defined benefit liability/asset, net of tax effect			(5,43,907)	(5,43,907)
Profit for the year		(1,95,51,097)		(1,95,51,097)
Balance at March 31, 2017	26,58,07,400	(7,44,16,489)		19,08,24,314
Remeasurement of net defined benefit liability/asset, net of tax effect			2,67,820	2,67,820
Used for Buyback of shares	(7,04,550)			(7,04,550)
Profit for the year		1,11,71,807		1,11,71,807
Balance at March 31, 2018	26,51,02,850	(6,32,44,681)		20,15,59,390

As per our report attached

for and on behalf of the Board

For **CSV & ASSOCIATES**
Chartered Accountants
FRN: 012121S

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Hyderabad
May 30, 2018

A V R K VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No: ACS 30999

Statement of Cash Flows

For the Year Ended

Particulars	March 31, 2018		March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	1,60,99,644		1,59,84,157	
<i>Adjustments for:</i>				
Depreciation and amortisation expense	18,74,760		19,24,604	
Operating profit before working capital changes		1,79,74,404		1,79,08,761
<i>Changes in working capital:</i>				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(8,36,83,410)		(3,18,64,744)	
Other financial assets	3,99,279		(15,24,458)	
Inventories	(1,36,21,402)		9,50,571	
Other assets	18,39,508		(13,07,031)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	4,07,05,608		(20,41,716)	
Other financial liabilities	1,48,662		(5,06,718)	
Other current liabilities	(2,92,748)		23,25,286	
Provisions	1,68,126		3,32,917	
Cash generated from operations		(3,63,61,973)		(1,57,27,132)
Net income tax paid		(35,95,098)		(35,66,282)
Net cash flow from operating activities (A)		(3,99,57,071)		(1,92,93,414)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances (Refer Note (iii) below)	(39,63,709)		(21,14,278)	
Buyback of Equity Shares	(8,32,650)			
Movement in Bank balances not considered as cash and cash equivalents				
Net cash (used in) / flow from investing activities (B)		(47,96,359)		(21,14,278)
Net (decrease) in Cash and cash equivalents (A+B+C)		(4,47,53,430)		(2,14,07,692)
Cash and cash equivalents at the beginning of the year		12,93,51,643		15,07,59,335
Cash and cash equivalents at the end of the year (Refer Note (i) below)		8,45,98,213		12,93,51,643

As per our report attached

for and on behalf of the Board

For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 012121S

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Hyderabad
May 30, 2018

A V R K VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No: ACS 30999

Notes forming part of the Stand alone financial statements

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

in Rs.

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 April 1, 2016	14,84,850	37,03,286	20,93,713	2,60,178	84,80,446	25,13,377	45,44,721	2,30,80,571
Additions	-	10,11,264	51,963	4,06,921	2,97,109	2,65,565	-	20,32,822
Balance as at March 31, 2017	14,84,850	47,14,550	21,45,676	6,67,099	87,77,555	27,78,942	45,44,721	2,51,13,393
Additions		25,90,254	10,15,827	85,228	-	-	-	36,91,309
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
II. Accumulated depreciation								
Balance as at April 1, 2016	4,48,685	28,78,691	8,52,105	1,71,081	81,84,184	20,51,896	26,73,940	1,72,60,582
Depreciation expense for the year	49,446	6,07,676	1,88,215	61,959	45,258	66,585	3,36,152	13,55,291
Balance as at March 31, 2017	4,98,131	34,86,367	10,40,320	2,33,040	82,29,442	21,18,481	30,10,092	1,86,15,873
Depreciation expense for the year	49,446	6,29,166	2,70,147	1,13,138	66,527	88,654	3,36,150	15,53,228
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
III. Carrying Amount								
Balance as at April 1, 2016	10,36,165	8,24,595	12,41,608	89,097	2,96,262	4,61,481	18,70,781	58,19,989
Additions	0	10,11,264	51,963	4,06,921	2,97,109	2,65,565	0	20,32,822
Depreciation expense	(49,446)	(6,07,676)	(1,88,215)	(61,959)	(45,258)	(66,585)	(3,36,152)	(13,55,291)
Balance as at March 31, 2017	9,86,719	12,28,183	11,05,356	4,34,059	5,48,113	6,60,461	15,34,629	64,97,520
Additions	0	25,90,254	10,15,827	85,228	-	-	-	36,91,309
Depreciation expense	(49,446)	(6,29,166)	(2,70,147)	(1,13,138)	(66,527)	(88,654)	(3,36,150)	(15,53,228)
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

4. Other intangible assets

Description of Assets	Computer software
I. Cost or deemed cost	
Balance as at April 1, 2016	
Additions	27,23,844
	81,456
Balance as at March 31, 2017	28,05,300
Additions	2,72,400
Balance as at March 31, 2018	30,77,700

Notes forming part of the Stand alone financial statements

II. Accumulated depreciation and impairment	
Balance as at April 1, 2016	18,18,349
Amortisation expense for the year	5,69,313
Balance as at March 31, 2017	23,87,662
Amortisation expense for the year	3,21,534
Balance as at March 31, 2018	27,09,196
III. Carrying Amount	
Balance as at April 1, 2016	9,05,495
Additions	81,456
Depreciation expense	5,69,313
Balance as at March 31, 2017	4,17,638
Additions	2,72,400
Depreciation expense	3,21,534
Balance as at March 31, 2018	3,68,504

5. Investments

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
A. Non-current investments (Refer Note 1 below)			
Investment carried at cost			
(i) Equity instruments of Subsidiaries (unquoted)	2,95,66,245	2,95,66,245	2,95,66,245
	2,95,66,245	2,95,66,245	2,95,66,245

Particulars	As at March 31, 2018			As at March 31, 2017			As at March 31, 2016		
	QTY	Amount		QTY	Amount		QTY	Amount	
Investments in Subsidiaries									
I. Unquoted Investments (all Fully Paid)									
Investments in Equity instruments -of Subsidiaries									
(a) Wholly owned Subsidiaries	64,000	\$ 640,000	2,95,66,245	\$ 64,000	\$ 640,000	29,566,245	64,000	\$ 640,000	29,566,245

Notes forming part of the Stand alone financial statements

6. Other financial assets (carried at amortised cost)

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Non-current			
Security deposits			
- Unsecured, considered good	15,90,262	15,03,693	13,53,194
Total non-current other financial assets	15,90,262	15,03,693	13,53,194
Current			
Interest accrued on deposits	15,56,667	20,59,644	16,83,603
Security deposits	1,99,744	2,17,640	90,270
Total current other financial assets	17,56,411	22,77,284	17,73,873
Total other financial assets	33,46,673	37,80,977	31,27,067

7. Other assets

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Non-current			
Prepaid expenses	38,147	1,14,234	1,90,320
Total non-current assets	38,147	1,14,234	1,90,320
Current:			
Prepaid expenses	6,40,082	3,22,032	2,64,717
Balance with government authority	19,80,212	18,20,017	23,31,525
Advances recoverable in cash or kind -Current	13,51,034	14,46,644	45,816
Total Current Assets	39,71,328	35,88,693	26,42,058
Total other assets	40,09,475	37,02,927	28,32,378

8. Inventories

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Current			
Inventories (lower of cost and net realisable value)			
Raw materials	1,61,96,720	14,96,482	6,19,602
Finished goods	22,71,263	33,50,099	51,77,550
Total	1,84,67,983	48,46,581	57,97,152

9. Trade receivables

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Trade receivables - Current			
Unsecured, considered good	13,71,73,903	5,34,90,492	2,16,25,747
Total	13,71,73,903	5,34,90,492	2,16,25,747

Notes forming part of the Stand alone financial statements

Note - 10: Cash and Bank Balances

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Balances with Banks			
in current accounts	44,07,081	1,06,38,167	80,73,111
in deposit accounts	8,01,70,169	11,86,91,417	14,26,85,290
Cash on hand	20,963	22,059	934
Total Cash and cash equivalents	8,45,98,213	12,93,51,643	15,07,59,335
Cash and cash equivalents as per Statement of Cash flows	8,45,98,213	12,93,51,643	15,07,59,335

11. Equity share capital

Particulars	As at March 31		
	2018	2017	2016
Authorised share capital: 5000000 fully paid up equity shares of Rs. 10 each	5,00,00,000	5,00,00,000	5,00,00,000
Issued and subscribed capital: Issued Equity Share capital	3,70,74,900	3,72,03,000	3,72,03,000
Total	3,70,74,900	3,72,03,000	3,72,03,000

Notes:

(A) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
Balance at April 1, 2015	3,720,300	37,203,000
Issue of shares under the Company's employee share option plan	-	-
Balance at March 31, 2016	37,20,300	3,72,03,000
Issue of shares under the Company's employee share option plan	-	-
Balance at March 31, 2017	37,20,300	3,72,03,000
Issue of shares under the Company's employee share option plan	-	-
Buyback of shares	(12,810)	(1,28,100)
Balance at March 31, 2018	37,07,490	3,70,74,900

During the year 2017-18, the Company bought back 12,810 equity shares out of the period of five years immediately preceding the reporting date.

In the year 2017-18, the Company had approved proposal for buy back of its equity shares at a price not exceeding Rs.65/- per equity share for an aggregate amount not exceeding Rs.4,83,63,900 which is 20% of its maximum buy back size. The Company bought back and extinguished 12,810 equity shares for a total consideration of Rs.8,32,650/-.

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

	As at March 31					
	2018		2017		2016	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares Danlaw Systems India Limited	14,61,592	39.42%	14,61,592	39.29%	14,61,592	39.29%

Notes forming part of the Stand alone financial statements

12. Other equity excluding non-controlling interests

Particulars	As at March 31		
	March 31, 2018	March 31, 2017	March 31, 2016
Securities premium account	26,51,02,850	26,58,07,400	26,58,07,400
Retained earnings	(6,35,43,460)	(7,49,83,086)	(5,48,88,083)
Balance at end of year	20,15,59,390	19,08,24,314	21,09,19,317

12.2 Securities premium reserve			
Balance at beginning of year	26,58,07,400	26,58,07,400	26,58,07,400
Used for Buybak of shares	(7,04,550)		
Balance at end of year	26,51,02,850	26,58,07,400	26,58,07,400

12.3 Retained earnings			
Balance at beginning of year	(7,49,83,086)	(5,48,88,083)	(7,38,97,864)
Profit attributable to owners of the Company	1,11,71,807	(1,95,51,097)	1,90,09,781
Remeasurements of the defined benefit plans	2,67,820	(5,43,907)	-
Balance at end of year	(6,35,43,460)	(7,49,83,086)	(5,48,88,083)

13. Other financial liabilities

Particulars	As at March 31,		
	2018	2017	2016
(i) Others (credit card dues)	2,47,034	98,372	6,05,090
Total	2,47,034	98,372	6,05,090

14. Provisions

Particulars	As at March 31,		
	2018	2017	2016
Provisions			
Employee benefits	17,27,352	19,28,900	7,83,417
Current	17,27,352	19,28,900	7,83,417

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

15. Income taxes

15.1 Deferred tax balance

Particulars	As at March 31		
	March 31, 2018	March 31, 2017	March 31, 2016
Deferred tax assets	17,15,930	34,22,047	3,51,22,360
Deferred tax liabilities			
Total	17,15,930	34,22,047	3,51,22,360

2017-18	Opening Balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to Depreciation & Amortization	1,00,015	(71,368)	(1,23,441)
Others	9,58,115	(12,61,371)	(1,51,528)
Total	10,58,130	(13,32,739)	(2,74,969)

2016-17	Opening Balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to Depreciation & Amortization	77,049	22,966	1,00,015
Others	3,29,50,053	(3,19,91,938)	9,58,115
Total	3,30,27,102	(3,19,68,972)	10,58,130

15.2. Current tax assets and liabilities

Particulars	As at March 31		
	2018	2017	2016
Current tax assets			
Current tax assets	19,79,739	38,19,247	25,12,216
Current tax liabilities			
Income tax payable	35,95,098	30,24,286	26,86,057
Total Current tax liabilities	35,95,098	30,24,286	26,86,057

15.3 - Tax Expense

a) Recognised in statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Current tax		
In respect of the current year	35,95,098	35,66,282
	35,95,098	35,66,282
Deferred tax		
In respect of the current year	13,32,739	3,19,68,972
	13,32,739	3,19,68,972

b) Recognised in Other comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Deferred tax		
In respect of the current year	1,01,854	(2,68,659)
	1,01,854	(2,68,659)

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Profit before tax from continuing operations	1,60,99,644	1,59,84,157
Income tax expense calculated	35,95,098	35,66,282
Depreciation adjustment	(1,99,283)	69,460
Expenses disallowed under Income Tax Act	45,658	1,75,450
Set off of losses	(28,97,849)	(54,42,747)
Taxable Income	1,30,48,170	1,07,86,320
Tax Rate	27.5525%	33.0630%

16. Other liabilities

Particulars	As at March 31		
	March 31, 2018	March 31, 2017	March 31, 2016
Current			
Advance from customers	3,78,989	26,56,103	8,63,841
Statutory remittances	29,68,701	11,85,652	11,74,519
Others	4,54,643	8,24,138	6,40,476
Total	38,02,333	46,65,893	26,78,836

17. Trade Payables

Particulars	As at March 31		
	March 31, 2018	March 31, 2017	March 31, 2016
Trade Payables - Current			
Dues to micro enterprises and small enterprises (Refer Note xx)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	4,18,56,159	11,50,551	31,92,267
Total	4,18,56,159	11,50,551	31,92,267

18. Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of services	9,50,08,143	9,50,40,092
Sale of products	8,70,74,886	1,98,89,235
Other operating revenue	-	-
Total	18,20,83,029	11,49,29,327

19. Other income (net)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets carried at amortised cost		
Bank deposits	55,30,671	1,07,86,323
Others	86,569	78,699
	56,17,240	1,08,65,022
Other non-operating income		
Miscellaneous income (net)	-	50,618
	-	50,618
Other gains and losses		
Net foreign exchange gain	15,33,323	-
	15,33,323	-
Total	71,50,563	1,09,15,640

20. Employee Benefits Expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages, including bonus	6,84,28,947	6,31,34,993
Contribution to provident and other funds	56,03,861	51,06,647
Staff welfare expenses	32,45,660	25,51,336
Total	7,72,78,468	7,07,92,976

21. Cost of materials consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
(a) Opening stock	9,52,926	6,19,602
(b) Add: Purchases	7,78,92,093	63,24,450
(c) Less: Closing stock	1,61,96,720	9,52,926
	6,26,48,299	59,91,126

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Opening Stock:		
Finished goods	33,50,099	51,77,550
Work-in-progress	0	0
	33,50,099	51,77,550
Closing Stock:		
Finished goods	22,71,263	33,50,099
Work-in-progress	-	-
	22,71,263	33,50,099
Net (increase) / decrease	10,78,836	18,27,451

23. Finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest expense		
- Interest on bank overdrafts and loans	17,155	19,582
- Other interest expense	45,658	2,11,460
Total	62,813	2,31,042

24. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Depreciation of property, plant and equipment	15,53,226	13,55,291
Amortisation of intangible assets	3,21,534	5,69,313
Total	18,74,760	19,24,604

25. Other operating expenses

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
Rent including lease rentals		69,84,118		64,55,326
Rates and taxes		10,23,136		6,08,705
Insurance		2,51,606		1,10,161
Freight Outwards		3,76,963		3,08,1653
Travelling and conveyance		42,59,723		34,45,007
Sub-contracting charges		13,20,239		8,11,464
Communication		5,86,170		2,87,256
Printing and stationery		3,80,360		2,89,612
Power and fuel		13,56,381		13,14,242
Marketing and advertising expenses		82,009		3,46,517
Repairs and maintenance				
- Buildings	4,53,361		5,31,934	
- Machinery	7,93,847		3,73,436	
- Others	10,20,624	22,67,832	11,84,826	20,90,196
Directors Remuneration				
- Non executive directors commission	-		-	
- Directors sitting fees	4,50,000	4,50,000	3,50,000	3,50,000
Legal & professional charges				4,93,363
Provision for doubtful debts (net)	-	-	-	
Trade receivables written off (net)	74,136		19,144	
Less: Reversal of provision for doubtful debts	-	74,136	-	19,144
Auditors' remuneration (Refer Note (ii) below)		2,45,300		1,85,085
Recruitment expenses		82,140		51,388
Foreign exchange loss		-		4,27,780
Miscellaneous expenses		48,23,582		12,97,946
Total		2,45,63,695		1,88,91,357

Notes:

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

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
Company				
For statutory audit		1,80,000		1,61,050
For other services		58,900		17,235
Reimbursement of expenses		6,400		6,800
Total Auditors' remuneration		2,45,300		1,85,085

26. Managerial Remuneration

The following managerial remuneration was paid as per board of director's decision and approved by shareholders.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary	18,00,000	18,00,000
Contribution to PF	2,16,000	2,16,000
Medical	9,617	8,184
Total	20,25,617	20,24,184

27. Contingent Liabilities:

Bank Guarantees	26,64,169	26,76,017
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28. Related party disclosures

Related Party Transaction	Relation	Transactions for the year ended March 31		Balance as at March 31	
		2018	2017	2018	2017
Sales & Services					
Danlaw Technologies Inc	Subsidiary	2,00,17,320	2,46,49,900	1,85,99,994	89,66,075
Danlaw Inc	Associate	6,90,95,550	6,52,56,609	6,24,00,558	3,51,82,962
Purchases					
Danlaw Inc	Associate	73,03,800	-	73,03,800	-
Fuzhou Danlaw Xicheng Electr. Tech. Co. Ltd	Associate	5,40,86,200	-	3,02,12,943	-
Remuneration					
Raju S Dandu	KMP MD/ Chairman	20,25,617	20,24,184	-	-
Lease Rentals					
D Lakshmi	Relative of KMP - MD	36,72,710	29,82,750	-	-
DSN Raju	Relative of KMP - MD	36,72,710	29,82,750	-	-
Investments					
Danlaw Technologies Inc	Subsidiary	-	-	2,95,66,245	2,95,66,245

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

29. Earnings per share

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit after tax	1,11,71,807	(1,95,51,097)
Basic:		
Number of shares outstanding at the year end	37,07,490	37,20,300
Earnings per share (Rs)	3.01	(5.26)
Diluted:		
Weighted average number of equity shares outstanding	37,17,282	37,20,300
Earnings per share (Rs)	3.01	(5.26)

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,		
		2018	2017	2016	2018	2017	2016
Assets:							
Non-Current							
Other Financial Assets	3	15,90,262	15,03,693	13,53,194	15,90,262	15,03,693	13,53,194
Current							
Trade receivables	3	13,71,73,903	5,34,90,492	2,16,25,747	13,71,73,903	5,34,90,492	2,16,25,747
Cash and cash equivalents	3	8,45,98,213	12,93,51,643	15,07,59,335	8,45,98,213	12,93,51,643	15,07,59,335
Other financial assets	3	17,56,411	22,77,284	17,73,873	17,56,411	22,77,284	17,73,873
Total		22,51,18,789	18,66,23,112	17,55,12,149	22,51,18,789	18,66,23,112	17,55,12,149
Liabilities:							
Current							
Trade payables	3	4,18,56,159	11,50,551	31,92,267	4,18,56,159	11,50,551	31,92,267
Total	3	4,18,56,159	11,50,551	31,92,267	4,18,56,159	11,50,551	31,92,267

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.

Effect of first time adoption of Ind AS on Balance Sheet

	As at March 31, 2017			As at April 1, 2016		
	(End of last period presented under previous GAAP)			(Date of transition)		
	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
Non-current assets						
Property, plant and equipment	64,97,519		64,97,519	58,19,989		58,19,989
Other intangible assets	4,17,638		4,17,638	9,05,495		9,05,495
Financial assets						
(a) Investments	2,95,66,245		2,95,66,245	2,95,66,245		2,95,66,245
(b) Other financial assets	16,38,005	(1,34,312)	15,03,693	15,66,205	(2,13,011)	13,53,194
Deferred tax assets (net)	31,53,388	2,68,659	34,22,047	3,51,22,360		3,51,22,360
Other non-current assets	-	1,14,234	1,14,234	-	1,90,320	1,90,320
Total non-current assets	4,12,72,795	2,48,581	4,15,21,376	7,29,80,294	(22,691)	7,29,57,603
Current Assets						
Inventories	48,46,581		48,46,581	57,97,152		57,97,152
Financial assets						
(a) Trade receivables	5,34,90,492		5,34,90,492	2,16,25,747		2,16,25,747
(b) Cash and cash equivalents	12,93,51,643		12,93,51,643	15,07,59,335		15,07,59,335
(c) Other financial assets (carried at amortised cost)	22,77,284		22,77,284	17,73,873		17,73,873
Current tax assets	38,19,247		38,19,247	25,12,216		25,12,216
Other current assets	35,88,693		35,88,693	26,42,058		26,42,058
Total current assets	19,73,73,940	-	19,73,73,940	18,51,10,381	-	18,51,10,381
Total assets	23,86,46,735	2,48,581	23,88,95,316	25,80,90,675	(22,691)	25,80,67,984
Equity						
Equity share capital	3,72,03,000		3,72,03,000	3,72,03,000		3,72,03,000
Other equity	19,13,54,901	(5,30,587)	19,08,24,314	21,09,42,008	(22,691)	21,09,19,317
Total equity	22,85,57,901	(5,30,587)	22,80,27,314	24,81,45,008	(22,691)	24,81,22,317
Current liabilities						
Financial Liabilities						
(a) Trade payables	11,50,551		11,50,551	31,92,267		31,92,267
(b) Other financial liabilities	98,372		98,372	6,05,090		6,05,090
Provisions	11,49,732	7,79,168	19,28,900	7,83,417		7,83,417
Current Tax Liabilities (Net)	30,24,286		30,24,286	26,86,057		26,86,057
Other current liabilities	46,65,893		46,65,893	26,78,836		26,78,836
Total current liabilities	1,00,88,834	7,79,168	1,08,68,002	99,45,667	-	99,45,667
Total equity and liabilities	23,86,46,735	2,48,581	23,88,95,316	25,80,90,675	(22,691)	25,80,67,984

Effect of Ind AS adoption on the Statement of profit and loss for the year ended March 31, 2017

Particulars	Year ended March 31, 2017		
	(End of last period presented under previous GAAP)		
	Previous GAAP	Effect of transition to Ind AS	Ind AS
INCOME			
Revenue from operations	11,49,29,327		11,49,29,327
Other income (net)	1,08,36,941	78,699	1,09,15,640
Total income	12,57,66,268	78,699	12,58,44,967
EXPENSES			
Cost of materials consumed	59,91,126		59,91,126
Purchases of stock-in-trade	1,02,02,253		1,02,02,253
Changes in inventories of finished goods and work-in-progress	18,27,451		18,27,451
Employee benefits expense	7,08,26,374	(33,398)	7,07,92,976
Finance costs	2,31,042		2,31,042
Depreciation and amortisation expense	19,24,604		19,24,604
Other operating expenses	1,88,15,271	76,086	1,88,91,357
Total expenses	10,98,18,121	42,688	10,98,60,809
Profit before tax	1,59,48,147	36,010	1,59,84,157
Tax Expense			
Current tax	35,66,282		35,66,282
Deferred tax	3,19,68,972		3,19,68,972
	3,55,35,254	0	3,55,35,254
Profit for the year	(1,95,87,107)	36,010	(1,95,51,097)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans	-	(8,12,566)	(8,12,566)
(b) Income tax relating to items that will not be reclassified to profit or loss	-	2,68,659	2,68,659
Total other comprehensive income		(5,43,907)	(5,43,907)
Total comprehensive income for the year		(5,07,897)	(2,00,95,004)

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

Name of the Subsidiary : Danlaw technologies, Inc.
 Financial year of the Subsidiary : April 2017 to March 2018
 Extent of holding Company's interest : 100%

DANLAW TECHNOLOGIES INC.

DIRECTOR'S REPORT

Your directors take pleasure in presenting the financial results of the company for the year 2017-2018.

No.	Particulars	In USD		Rs. in lakhs	
		2017-18	2016-17	2017-18	2016-17
1.	Revenue	529,895	600,619	341.54	402.96
2.	Cost of Sales	455,178	517,841	293.39	347.42
3.	Gross Profit	74,717	82,778	48.15	55.54
4.	General and Administrative Expenses	13,337	12,241	8.58	8.20
5.	Income before Taxes	61,380	70,537	39.57	47.34
6.	Income Taxes	11,961	13,556	7.71	9.10
7.	Net Income	49,419	56,981	31.86	38.24
8.	Paid up equity share capital	640,000	640,000	295.66	295.66

Date: April 30, 2018
 Place: Novi, MI

Raju S Dandu

President

CERTIFIED PUBLIC ACCOUNTANT CERTIFICATE ON WHOLLY OWNED SUBSIDIARY

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

Independent Accountant's Review Report

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

We have reviewed the accompanying financial statements of Danlaw Technologies, Inc. (a wholly owned subsidiary of Danlaw Technologies India, Ltd.), which comprise the balance sheets as of March 31, 2018 and 2017, and the related statements of operations, stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

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

Accountant's Responsibility

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

Accountant's Conclusion

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

GRANT, MILLMAN & JOHNSON, P.C.

April 30, 2018

DANLAW TECHNOLOGIES, INC.
BALANCE SHEETS
March 31, 2018 and 2017

ASSETS

	2018	2017
Current Assets:		
Cash	\$ 58,271	\$ 780,497
Accounts Receivable	5,750	5,750
Accounts Receivable - Affiliate	349,012	128,428
Prepaid Taxes	2,167	340
Loan Receivable - Affiliate	702,084	-
Total Assets	\$ 1,117,284	\$ 915,015

LIABILITIES AND STOCKHOLDER'S EQUITY

Current Liabilities:		
Accounts Payable - Affiliate	\$ 11,180	\$ 2,180
Accounts Payable - Parent	290,081	138,280
Accrued Payroll and Payroll Taxes	7,438	7,439
Accrued Federal Taxes	-	7,950
Total Current Liabilities	308,699	155,849
Stockholder's Equity:		
Common Stock - \$10 Par Value; 34,000 Shares Authorized, Issued and Outstanding	340,000	340,000
Additional Paid-in Capital	300,000	300,000
Retained Earnings	168,585	119,166
Total Stockholder's Equity	808,585	759,166
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 1,117,284	\$ 915,015

See accompanying notes and independent accountant's review report.

DANLAW TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
For the Years Ended March 31, 2018 and 2017

	2018	2017
Revenue:		
Automotive Electronics	\$ 527,811	\$ 600,619
Cost of Sales:		
Subcontract Work - Parent	291,137	315,956
Subcontract Work - Affiliate	3,000	5,500
Cost of Products - Parent	23,750	57,250
Other	10	268
Engineering Salaries	119,990	122,297
Payroll Taxes	9,105	8,817
Employee Benefits	8,186	7,753
Total Cost of Sales	455,178	517,841
Gross Profit	72,633	82,778
General and Administrative Expenses :		
Payroll Preparation	1,688	1,260
Professional Services	4,425	4,625
Office Supplies and Expenses	1,143	356
Bank Charges	81	-
Management Fee	6,000	6,000
Total General and Administrative Expenses	13,337	12,241
Income from Operations	59,296	70,537
Interest Income	2,084	-
Income Before Income Taxes	61,380	70,537
Income Taxes		
Federal Income Tax	10,874	12,295
State Income Tax	1,087	1,261
Total Income Taxes	11,961	13,556
NET INCOME	\$ 49,419	\$ 56,981

See accompanying notes and independent accountant's review report.

DANLAW TECHNOLOGIES, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
For the Years Ended March 31, 2018 and 2017

	Retained Earnings	Additional Paid-in Capital	Common Stock	Total
Balance March 31, 2016	\$ 62,185	\$ 300,000	\$ 340,000	\$ 702,185
Net Income	56,981	-	-	56,981
Balance March 31, 2017	119,166	300,000	340,000	759,166
Net Income	49,419	-	-	49,419
Balance March 31, 2018	\$ 168,585	\$ 300,000	\$ 340,000	\$ 808,585

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2018 and 2017

	2018	2017
Cash Flows from Operating Activities:		
Net Income	\$ 49,419	\$ 56,981
Adjustments to Reconcile Net Income to Net Cash Provided by (Used in) Operating Activities:		
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(220,584)	84,314
Prepaid Taxes	(1,827)	9,921
Accounts Payable	160,801	33,110
Accrued Payroll and Payroll Taxes	(1)	2,479
Accrued Federal Taxes	(7,950)	(8,750)
Net Cash Provided by (Used in) Operating Activities	(20,142)	178,055
Cash Flows from Investing Activities:		
Loan to Affiliate	(702,084)	-
Increase (Decrease) in Cash	(722,226)	178,055
Cash at Beginning of Year	780,497	602,442
Cash at End of Year	\$ 58,271	\$ 780,497
Supplemental Disclosures of Cash Flow Information:		
Cash Paid for Federal Income Tax	\$ 20,491	\$ 21,045
Cash Paid (Refunded) for State Income Tax	\$ 1,247	\$ (8,660)

See accompanying notes and independent accountant's review report.

**DANLAW TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS**

March 31, 2018 and 2017

NOTE 1 - Summary of Accounting Policies:

Business Activity

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

Use of Estimates

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

Revenue Recognition Policy

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

Cash and Cash Equivalents

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

Accounts Receivable and Concentration of Credit Risk

At March 31, 2018 and 2017, the Company's accounts receivable were due mainly from affiliates and concentrated in the automotive supplier and manufacturer market. Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

DANLAW TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
March 31, 2018 and 2017

NOTE 1 - Summary of Accounting Policies (Continued):

Income Taxes

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

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

Subsequent Events

Management has evaluated events and transactions through April 30, 2018, the date the financial statements were available to be issued.

NOTE 2 - Loan Receivable - Affiliate:

The loan receivable from Danlaw, Inc., an affiliate of the Company, is unsecured with interest at 1.12% per annum. Interest of \$2,084 has been accrued at March 31, 2018. The loan balance has been received in full as of the report date.

NOTE 3 - Income Taxes:

The provision for Federal income tax for 2018 and 2017 is based on taxable income at statutory rates. The provision or benefit for state income tax is based on taxes assessed at statutory rates. Management has reviewed the Company’s tax positions and concluded that there are no significant uncertain tax positions that are required to be recognized in the financial statements. The Company does not have any unrecognized tax benefits which would impact the effective income tax rate. The total amount of interest and penalties relating to income taxes was not material.

The Company files income tax returns with various federal and state tax jurisdictions. Tax returns filed with the Internal Revenue Service for the years 2015 - 2017 are subject to examination. Tax returns filed with the various states for the years 2014 - 2017 are subject to examination.

As of December 31, the component of the Federal income tax expense is as follows:

	2018	2017
Current Tax Expense:		
Tax on income at statutory rates	\$ 10,874	\$ 12,295

DANLAW TECHNOLOGIES, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

March 31, 2018 and 2017

NOTE4 - Related Party Transactions:

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

Transactions for the years ended March 31:

	2018	2017
<u>Sales</u>		
Danlaw Inc.	\$ 501,936	\$ 537,944
<u>Purchases</u>		
Danlaw Technologies India, Ltd.	\$ 314,887	\$ 373,206
Danlaw, Inc.	\$ 3,000	\$ 5,500
<u>Administration Fees</u>		
Danlaw, Inc.	\$ 6,000	\$ 6,000
<u>Accounts Receivable</u>		
Danlaw, Inc.	\$ 349,012	\$ 127,524
Azuga, Inc.	\$ -	\$ 904
<u>Loan Receivable</u>		
Danlaw, Inc.	\$ 702,084	\$ -
<u>Accounts Payable</u>		
Danlaw Technologies India, Ltd.	\$ 290,081	\$ 138,280
Danlaw, Inc.	\$ 11,180	\$ 2,180

NOTE5 - Retirement Plan:

The Company maintains a 401(k) Profit Sharing Plan available to all employees meeting certain age and service requirements. The plan allows employees to contribute up to 15% of their salary to the plan, subject to Internal Revenue Code limitations. The Company may elect to match a portion of the employees' contributions to the plan and may contribute additional amounts at its discretion. There were no employer contributions for the years ended March 31, 2018 and 2017.

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of **M/s. Danlaw Technologies India Limited.**, ("the Company"), its subsidiary M/s. subsidiary, Danlaw Technologies Inc., (collectively referred to as "Group") which comprise the Consolidated Balance Sheet as at 31st March, 2018, 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.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements,

whether due to fraud or error. In making those risk assessments, the auditor considers the internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

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

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Group as at 31st March, 2018, its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, 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.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 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 / financial information of certain subsidiary's, whose financial statements reflect total assets of \$ 11,17,284 as at 31st March, 2018, total revenue of \$ 5,27,811 and net cash flows from operating activities amounting to (\$20,142) for the year ended on that date, as considered in the consolidated financial statements.

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

Place: Hyderabad
Date: 30.05.2018

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

**(CA.VENKATESH G.)
PARTNER
Membership No.239608**

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, 2018, we have audited the internal financial controls over financial reporting of **M/s. DANLAW TECHNOLOGIES INDIA LIMITED** (“the Company”) and its subsidiary companies which are incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary companies, which are 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 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.

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 companies, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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: 30.05.2018

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

**(CA.VENKATESH G.)
PARTNER
Membership No.239608**

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Particulars	Note	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016
ASSETS				
Non-current assets				
Property, plant and equipment	3	86,35,601	64,97,519	58,19,989
Other intangible assets	4	3,68,504	4,17,638	9,05,495
Financial assets				
(a) Other financial assets (carried at amortised cost)	5	15,90,262	15,03,693	13,53,194
Deferred tax assets (net)	15	17,15,930	34,22,047	3,51,22,360
Other non-current assets	6	38,147	1,14,234	1,90,320
Total Non - Current Assets		1,23,48,444	1,19,55,131	4,33,91,358
Current Assets				
Inventories	7	1,84,67,983	48,46,581	57,97,152
Financial assets				
(a) Trade receivables	8	14,13,21,248	5,32,24,519	3,00,13,268
(b) Cash and cash equivalents	9	8,83,34,550	17,99,59,068	19,06,28,947
(c) Loans	10	4,50,17,626	-	-
(d) Other financial assets (carried at amortised cost)	5	17,56,411	22,77,284	17,73,873
Current tax assets	15	21,18,687	38,19,247	25,12,216
Other current assets	6	39,71,328	36,10,739	33,21,131
Total Current assets		30,09,87,833	24,77,37,438	23,40,46,587
Total Assets		31,33,36,277	25,96,92,569	27,74,37,945
EQUITY AND LIABILITIES				
Equity				
Equity share capital	11	3,70,74,900	3,72,03,000	3,72,03,000
Other equity	12	22,38,39,614	21,04,82,393	22,78,23,675
Equity attributable to owners of the Company		26,09,14,514	24,76,85,393	26,50,26,675
Current liabilities				
Financial liabilities				
(a) Trade payables	17	4,25,73,021	12,91,902	53,29,617
(b) Other financial liabilities	13	2,47,034	98,372	6,05,090
Provisions	14	17,27,352	19,28,900	7,83,417
Current tax liabilities, net		35,95,098	35,39,764	26,86,057
Other current liabilities	16	42,79,258	51,48,238	30,07,089
Total Current liabilities		5,24,21,763	1,20,07,176	1,24,11,270
Total Equity and liabilities		31,33,36,277	25,96,92,569	27,74,37,945
Corporate information and significant accounting policies				
The accompanying notes form an integral part of the Consolidated financial statements	1 & 2 3-29			

As per our report attached

For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 012121S

(CA.VENKATESH G.)
Partner
Membership No: 236908
Hyderabad
May 30, 2018

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

A V R K VARMA
Chief Financial Officer

for and on behalf of the Board

RAVI KUMAR TAMMA
Director
DIN: 05306747

V Padmaja
Company Secretary
Membership No: ACS 30999

Consolidated Statement of Profit and Loss for the period ended March 31, 2018

Particulars	Note	For the Year ended March 31, 2018	For the Year ended March 31, 2017
INCOME			
Revenue from operations	18	19,58,06,696	13,01,86,720
Other income (net)	19	72,84,585	1,09,15,640
Total income		20,30,91,281	14,11,02,360
EXPENSES			
Cost of materials consumed	21	6,26,48,299	59,91,126
Purchases of stock-in-trade		56,27,076	1,02,02,253
Changes in inventories of finished goods and work-in-progress	22	10,78,836	18,27,451
Employee benefits expense			
Finance costs	20	8,61,26,711	8,01,08,532
Depreciation and amortisation expense	23	62,813	2,31,042
Other operating expenses	24	18,74,760	19,24,604
Total expenses	25	2,56,16,524	2,00,99,375
Profit before tax		18,30,35,019	12,03,84,383
		2,00,56,261	2,07,17,976
Tax expense			
Current tax	19	43,65,648	44,76,132
Deferred tax	19	13,32,739	3,19,68,972
Total tax expense		56,98,387	3,64,45,104
Profit for the year		1,43,57,874	(1,57,27,128)
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		3,69,674	(8,12,566)
(b) Income tax relating to items that will not be reclassified to profit or loss		(1,01,854)	2,68,659
B Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		(5,63,922)	(10,70,248)
(b) Effective portion of gain and loss on designated portion of hedging instruments in a cash flow hedge			
Total other comprehensive income		(2,96,102)	(16,14,155)
Total comprehensive income for the year		1,40,61,772	(1,73,41,283)
Earnings per equity share			
(Equity shares, par value of Rs. 10 each)			
Basic (Rs.)	29	3.87	(4.23)
Diluted (Rs.)		3.86	(4.23)
Corporate information and significant accounting policies			
The accompanying notes form an integral part of the Consolidated financial statements	1 & 2 3-29		

As per our report attached

for and on behalf of the Board

For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 012121S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.VENKATESH G.)
Partner
Membership No: 236908
Hyderabad
May 30, 2018

A V R K VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No: ACS 30999

Consolidated Statement of changes in equity for the year ended March 31, 2018

a. Equity

Particulars	Number of Shares	Amount
Issued and Paid up Capital at April 1, 2015	37,20,300	3,72,03,000
Less: Treasury Shares		
Balance at April 1, 2015	37,20,300	3,72,03,000
Changes in equity share capital during the year		
Balance at March 31, 2016	37,20,300	3,72,03,000
Changes in equity share capital during the year		
Balance at March 31, 2017	37,20,300	3,72,03,000
Changes in equity share capital during the year	(12,810)	(1,28,100)
Balance at March 31, 2018	37,07,490	3,70,74,900

b. Other Equity Particulars	Reserves and Surplus			Items of OCI	
	Securities premium reserve	Foreign Currency Translation Reserve	Retained earnings	Other items of other comprehensive income	Total
Balance at April 1, 2015	26,58,07,400	36,07,145	(6,79,50,317)	-	20,14,64,228
Exchange difference arising on translating the foreign operations		29,63,297			29,63,297
Remeasurement of net defined benefit liability/asset, net of tax effect				(22,691)	(22,691)
Profit for the year			2,34,18,841		2,34,18,841
Balance at March 31, 2016	26,58,07,400	65,70,442	(4,45,31,476)	(22,691)	22,78,23,675
Exchange difference arising on translating the foreign operation		(10,70,248)			(10,70,248)
Remeasurement of net defined benefit liability/asset, net of tax effect				(5,43,907)	(5,43,907)
Profit for the year			(1,57,27,128)		(1,57,27,128)
Balance at March 31, 2017	26,58,07,400	55,00,194	(6,02,58,604)	(5,66,598)	21,04,82,393
Exchange difference arising on translating the foreign operation		(5,63,922)			(5,63,922)
Remeasurement of net defined benefit liability/asset, net of tax effect				2,67,820	2,67,820
Used for Buyback of shares	(7,04,550)				(7,04,550)
Profit for the year			1,43,57,874		1,43,57,874
Balance at March 31, 2018	26,51,02,850	49,36,272	(4,59,00,729)	(2,98,778)	22,38,39,614

As per our report attached

for and on behalf of the Board

For **CSV & ASSOCIATES**
Chartered Accountants
FRN: 012121S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.VENKATESH G.)
Partner
Membership No: 236908
Hyderabad
May 30, 2018

A V R K VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No: ACS 30999

Consolidated Statement of Cash Flows

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	2,00,56,261		2,07,17,976	
<i>Adjustments for:</i>				
Depreciation and amortisation expense	18,74,760		19,24,604	
Share of profit of joint venture				
Currency Translation Reserve movement for the year				
Unrealised forex (gain) / loss				
Operating profit before working capital changes		2,19,31,021		2,26,42,580
<i>Changes in working capital:</i>				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	(8,80,96,728)		(2,42,81,498)	
Other financial assets	4,21,325		(8,67,431)	
Inventories	(1,36,21,402)		9,50,571	
Other assets	17,00,560		(13,07,031)	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	4,12,81,119		(40,37,715)	
Other financial liabilities	1,48,662		(5,06,718)	
Other current liabilities	(8,13,646)		29,94,856	
Provisions	1,68,126		3,32,917	
Deferred tax on amalgamation				
Cash generated from operations		(3,68,80,963)		(40,79,469)
Net income tax paid		(43,65,648)		(44,76,132)
Net cash flow from operating activities (A)		(4,12,46,611)		(85,55,601)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances (Refer Note (iii) below)	(39,63,709)		(21,14,278)	
Loans given				
- Associates	(4,50,17,626)			
Buyback of Equity Shares	(8,32,650)			
Net cash (used in) / flow from investing activities (B)		(4,98,13,985)		(21,14,278)
Net (decrease) in Cash and cash equivalents (A+B+C)		(9,10,60,596)		(1,06,69,879)
Cash and cash equivalents at the beginning of the year		17,99,59,068		19,06,28,947
Effect of exchange differences on translation of foreign currency Cash and cash equivalents		(5,63,922)		
Cash and cash equivalents at the end of the year (Refer Note (i) below)		8,83,34,550		17,99,59,068

As per our report attached

for and on behalf of the Board

For **CSVR & ASSOCIATES**
Chartered Accountants
FRN: 012121S

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.VENKATESH G.)
Partner
Membership No: 236908
Hyderabad
May 30, 2018

A V R K VARMA
Chief Financial Officer

V Padmaja
Company Secretary
Membership No: ACS 30999

Notes forming part of the Consolidated financial statements

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

in Rs.

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 April 1, 2015	14,84,850	34,37,201	20,93,713	2,16,803	84,13,293	24,53,431	45,44,721	2,26,44,012
Additions		2,66,085	0	43,375	67,153	59,946		4,36,559
Balance as at March 31, 2016	14,84,850	37,03,286	20,93,713	2,60,178	84,80,446	25,13,377	45,44,721	2,30,80,571
Additions		10,11,264	51,963	4,06,921	2,97,109	2,65,565		20,32,822
Balance as at March 31, 2017	14,84,850	47,14,550	21,45,676	6,67,099	87,77,555	27,78,942	45,44,721	2,51,13,393
Additions		25,90,254	10,15,827	85,228				36,91,309
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
II. Accumulated depreciation								
Balance as at 1 April, 2015	3,99,239	22,42,677	6,53,633	1,26,176	81,48,787	19,92,630	23,00,058	1,58,63,200
Depreciation expense for the year	49,446	6,36,014	1,98,472	44,905	35,397	59,266	3,73,882	13,97,382
Balance as at March 31, 2016	4,48,685	28,78,691	8,52,105	1,71,081	81,84,184	20,51,896	26,73,940	1,72,60,582
Depreciation expense for the year	49,446	6,07,676	1,88,215	61,959	45,258	66,585	3,36,152	13,55,291
Balance as at March 31, 2017	4,98,131	34,86,367	10,40,320	2,33,040	82,29,442	21,18,481	30,10,092	1,86,15,873
Depreciation expense for the year	49,446	6,29,166	2,70,147	1,13,138	66,527	88,654	3,36,150	15,53,228
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
III. Carrying Amount								
Balance as at 1 April, 2015	10,85,611	11,94,524	14,40,080	90,627	2,64,506	4,60,801	22,44,663	67,80,812
Additions	0	2,66,085	0	43,375	67,153	59,946	0	4,36,559
Depreciation expense	(49,446)	(6,36,014)	(1,98,472)	(44,905)	(35,397)	(59,266)	(3,73,882)	(13,97,382)
Balance as at March 31, 2016	10,36,165	8,24,595	12,41,608	89,097	2,96,262	4,61,481	18,70,781	58,19,989
Additions	0	10,11,264	51,963	4,06,921	2,97,109	2,65,565	0	20,32,822
Depreciation expense	(49,446)	(6,07,676)	(1,88,215)	(61,959)	(45,258)	(66,585)	(3,36,152)	(13,55,291)
Balance as at March 31, 2017	9,86,719	12,28,183	11,05,356	4,34,059	5,48,113	6,60,461	15,34,629	64,97,520
Additions	0	25,90,254	10,15,827	85,228	-	-	-	36,91,309
Depreciation expense	(49,446)	(6,29,166)	(2,70,147)	(1,13,138)	(66,527)	(88,654)	(3,36,150)	(15,53,228)
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

4. Other intangible assets

Description of Assets	Computer software
I. Cost or deemed cost	
Balance as at April 1, 2015	20,03,672
Additions	7,20,172
Balance as at March 31, 2016	27,23,844
Additions	81,456
Balance as at March 31, 2017	28,05,300
Additions	2,72,400
Balance as at March 31, 2018	30,77,700

II. Accumulated depreciation and impairment

Balance as at April 1, 2015	10,28,673
Amortisation expense for the year	7,89,676
Balance as at March 31, 2016	18,18,349
Amortisation expense for the year	5,69,313
Balance as at March 31, 2017	23,87,662
Amortisation expense for the year	3,21,534
Balance as at March 31, 2018	27,09,196

III. Carrying Amount

Balance as at April 1, 2015	9,74,999
Additions	7,20,172
Depreciation expense	7,89,676
Balance as at March 31, 2016	9,05,495
Additions	81,456
Depreciation expense	5,69,313
Balance as at March 31, 2017	4,17,638
Additions	2,72,400
Depreciation expense	3,21,534
Balance as at March 31, 2018	3,68,504

5. Other financial assets (carried at amortised cost)

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Non-current			
Security deposits			
- Unsecured, considered good	15,90,262	15,03,693	13,53,194
Total non-current other financial assets	15,90,262	15,03,693	13,53,194
Current			
Interest accrued on deposits	15,56,667	20,59,644	16,83,603
Security deposits	1,99,744	2,17,640	90,270
Total current other financial assets	17,56,411	22,77,284	17,73,873
Total other financial assets	33,46,673	37,80,977	31,27,067

6. Other assets

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Non-current			
Prepaid expenses	38,147	1,14,234	1,90,320
Total non-current assets	38,147	1,14,234	1,90,320
Current:			
Prepaid expenses	6,40,082	3,22,032	2,64,717
Balance with government authority	19,80,212	18,42,063	30,10,598
Advances recoverable in cash or kind -Current	13,51,034	14,46,644	45,816
Total current assets	39,71,328	36,10,739	33,21,131
Total other assets	40,09,475	37,24,973	35,11,451

7. Inventories

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Current			
Inventories (lower of cost and net realisable value)			
Raw materials	1,61,96,720	14,96,482	6,19,602
Finished goods	22,71,263	33,50,099	51,77,550
Total	1,84,67,983	48,46,581	57,97,152

8. Trade receivables

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Trade receivables - Current			
Unsecured, considered good	14,13,21,248	5,32,24,519	3,00,13,268
Total	14,13,21,248	5,32,24,519	3,00,13,268

Note - 9: Cash and Bank Balances

in Rs.

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Balances with Banks			
in current accounts	81,43,418	6,12,45,592	4,79,42,723
in deposit accounts	8,01,70,169	11,86,91,417	14,26,85,290
Cash on hand	20,963	22,059	934
Total Cash and cash equivalents	8,83,34,550	17,99,59,068	19,06,28,947
Cash and cash equivalents as per Consolidated Statement of Cash flows	8,83,34,550	17,99,59,068	19,06,28,947

10. Loans

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Current Loans to related parties			
- Unsecured, considered good	4,50,17,626		
Total current Loans	4,50,17,626	-	-

11. Equity share capital

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Authorised share capital: 5000000 fully paid up equity shares of ₹10 each	5,00,00,000	5,00,00,000	5,00,00,000
Issued and subscribed capital: Issued Equity Share capital	3,70,74,900	3,72,03,000	3,72,03,000
Total	3,70,74,900	3,72,03,000	3,72,03,000

Notes:

(A) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
Balance at April 1, 2015	37,20,300	3,72,03,000
Issue of shares under the Company's employee share option plan	-	-
Balance at March 31, 2016	37,20,300	3,72,03,000
Issue of shares under the Company's employee share option plan	-	-
Balance at March 31, 2017	37,20,300	3,72,03,000
Issue of shares under the Company's employee share option plan	-	-
Buyback of shares	(12,810)	(1,28,100)
Balance at March 31, 2018	37,07,490	3,70,74,900

During the year 2017-18, the Company brought back 12,810 equity shares out of the period of five years immediately preceding the reporting date.

In the year 2017-18, the Company had approved proposal for buy back of its equity shares at a price not exceeding Rs.65/- per equity share for an aggregate amount not exceeding Rs.4,83,63,900 which is 20% of its maximum buy back size. The Company brought back and extinguished 12,810 equity shares for a total consideration of Rs.8,32,650/-.

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

Particulars	As at March 31, 2018					
	2018		2017		2016	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares Danlaw Systems India Limited	14,61,592	39.42%	14,61,592	39.29%	14,61,592	39.29%

12. Other equity excluding non-controlling interests

in Rs.

Particulars	As at March 31		
	2018	2017	2016
General reserve	-	-	-
Securities premium account	26,51,02,850	26,58,07,400	26,58,07,400
Foreign currency translation reserve	49,36,272	55,00,194	65,70,442
Retained earnings	(4,61,99,508)	(6,08,25,201)	(4,45,54,167)
Balance at end of year	22,38,39,614	21,04,82,393	22,78,23,675
12.2 Securities premium reserve			
Balance at beginning of year	26,58,07,400	26,58,07,400	26,58,07,400
Used for Buyback of shares	(7,04,550)		
Balance at end of year	26,51,02,850	26,58,07,400	26,58,07,400
12.3 Foreign currency translation reserve			
Balance at beginning of year	55,00,194	65,70,442	36,07,145
Exchange difference arising on translating the foreign operations	(5,63,922)	(10,70,248)	29,63,297
Balance at end of year	49,36,272	55,00,194	65,70,442
12.4 Retained earnings			
Balance at beginning of year	(6,08,25,201)	(4,45,54,167)	(6,79,73,008)
Profit attributable to owners of the Company	1,43,57,874	(1,57,27,128)	2,34,18,841
Remeasurements of the defined benefit plans	2,67,820	(5,43,907)	-
Balance at end of year	(4,61,99,508)	(6,08,25,201)	(4,45,54,167)
13. Other financial liabilities			
Current			
(vi) Others (credit card dues)	2,47,034	98,372	6,05,090
Total	2,47,034	98,372	6,05,090
14. Provisions			
Provisions			
Employee benefits	17,27,352	19,28,900	7,83,417
Warranty provision	-	-	-
Current	17,27,352	19,28,900	7,83,417

Notes forming part of the Consolidated financial statements

15. Income taxes

15.1 Deferred tax balance

Particulars	As at March 31		
	March 31, 2018	March 31, 2017	March 31, 2016
Deferred tax assets	17,15,930	34,22,047	3,51,22,360
Deferred tax liabilities	-	-	-
Total	17,15,930	34,22,047	3,51,22,360

2017-18	Opening Balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to Depreciation & Amortization	1,00,015	(71,368)	28,647
Others	9,58,115	(12,61,371)	(3,03,256)
Total	10,58,130	(13,32,739)	(2,74,609)

2016-17	Opening Balance	Recognised in profit or loss	Closing balance
Deferred tax (liabilities)/assets in relation to Depreciation & Amortization	77,049	22,966	1,00,015
Others	3,29,50,053	(3,19,91,938)	9,58,115
Total	3,30,27,102	(3,19,68,972)	10,58,130

15.2. Current tax assets and liabilities

Particulars	As at March 31		
	2018	2017	2016
Current tax assets			
Current tax assets	21,18,687	38,19,247	25,12,216
Current tax liabilities			
Income tax payable	35,95,098	35,39,764	26,86,057
Total Current tax liabilities	35,95,098	35,39,764	26,86,057

15.3 - Tax Expense

a) Recognised in statement of profit and loss

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Current tax			
In respect of the current year	43,65,648	44,76,132	65,32,598
	43,65,648	44,76,132	65,32,598
Deferred tax			
In respect of the current year	13,32,739	3,19,68,972	31,11,478
	13,32,739	3,19,68,972	31,11,478

b) Recognised in Other comprehensive Income

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Deferred tax In respect of the current year	1,01,854	(2,68,659)	-
	1,01,854	(2,68,659)	-

16. Other liabilities

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Current			
Advance from customers	3,78,989	26,56,103	8,63,841
Statutory remittances	29,68,701	11,85,652	11,74,519
Others	9,31,568	13,06,483	9,68,729
Total	42,79,258	51,48,238	30,07,089

17. Trade Payables

Particulars	As at		
	March 31, 2018	March 31, 2017	March 31, 2016
Trade Payables - Current			
Dues to micro enterprises and small enterprises (Refer Note xx)	-	-	-
Dues to creditors other than micro enterprises and small enterprises	4,25,73,021	12,91,902	53,29,617
Total	4,25,73,021	12,91,902	53,29,617

18. Revenue from operations

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of services	10,85,94,171	10,95,97,490
Sale of products	8,72,12,525	2,05,89,230
Other operating revenue	-	-
Total	19,58,06,696	13,01,86,720

19. Other income (net)

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on financial assets carried at amortised cost		
Bank deposits	55,30,671	1,07,86,323
Interest income from related parties	1,34,022	-
Others	86,569	78,699
	57,51,262	1,08,65,022
Other non-operating income		
Miscellaneous income (net)	-	50,618
	-	50,618
Other gains and losses		
Net foreign exchange gain	15,33,323	-
	15,33,323	-
Total	72,84,585	1,09,15,640

20. Employee Benefits Expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries and wages, including bonus	7,61,62,303	7,13,39,544	6,53,02,170
Contribution to provident and other funds	61,90,658	56,97,792	54,01,832
Staff welfare expenses	37,73,750	30,71,196	29,58,670
Total	8,61,26,711	8,01,08,532	7,36,62,672

21. Cost of materials consumed

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
(a) Opening stock	9,52,926	6,19,602	11,38,400
(b) Add: Purchases	7,78,92,093	63,24,450	57,57,998
(c) Less: Closing stock	1,61,96,720	9,52,926	6,19,602
	6,26,48,299	59,91,126	62,76,796

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

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Opening Stock:			
Finished goods	33,50,099	51,77,550	58,13,817
Work-in-progress	-	-	-
	33,50,099	51,77,550	58,13,817
Closing Stock:			
Finished goods	22,71,263	33,50,099	51,77,550
Work-in-progress	-	-	-
	22,71,263	33,50,099	51,77,550
Net (increase) / decrease	10,78,836	18,27,451	6,36,267

23. Finance costs

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expense			
- Interest on bank overdrafts and loans	17,155	19,582	3,949
- Interest on Loans from related parties	-	-	-
- Other interest expense	45,658	2,11,460	80,751
Total	62,813	2,31,042	84,700

24. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016
Depreciation of property, plant and equipment	15,53,226	13,55,291	13,97,380
Amortisation of intangible assets	3,21,534	5,69,313	7,89,676
Total	18,74,760	19,24,604	21,87,056

25. Other operating expenses

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
Rent including lease rentals (Refer Note (i) below)		69,84,118		64,55,326
Rates and taxes		10,23,136		6,08,705
Insurance		2,51,606		1,10,161
Freight Outwards		3,77,606		3,26,155
Travelling and conveyance		42,59,723		34,45,007
Sub-contracting charges		15,13,644		11,80,764
Communication		5,86,170		2,87,256
Printing and stationery		3,80,360		2,89,612
Power and fuel		13,56,381		13,14,242
Marketing and advertising expenses		82,009		3,46,517
Repairs and maintenance				
- Buildings	4,53,361		5,31,934	
- Machinery	12,54,156		3,73,436	
- Others	10,20,624	27,28,141	16,11,319	25,16,689
Directors Remuneration				
- Non executive directors commission	-		-	
- Directors sitting fees	4,50,000	4,50,000	3,50,000	3,50,000
Legal & professional charges				5,77,908
Provision for doubtful debts (net)	-		-	
Trade receivables written off (net)	74,136		19,144	
Less: Reversal of provision for doubtful debts	-	74,136	-	19,144
Auditors' remuneration (Refer Note (ii) below)		5,29,783		4,94,775
Recruitment expenses		82,140		51,388
Foreign exchange loss		-		4,27,780
Miscellaneous expenses		49,37,571		12,97,946
Total		2,56,16,524		2,00,99,375

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

Particulars	For the year ended March 31, 2018		For the year ended March 31, 2017	
Company				
For statutory audit		1,80,000		1,61,050
For other services		3,43,383		3,26,925
For services rendered by affiliates of statutory auditors		-		-
Reimbursement of expenses		6,400		6,800
Total Auditors' remuneration		5,29,783		4,94,775

26. Managerial Remuneration

The following managerial remuneration was paid as per board of director's decision and approved by shareholders.

Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
Salary	18,00,000	18,00,000
Contribution to PF	2,16,000	2,16,000
Medical	9,617	8,184
Total	20,25,617	20,24,184

27. Contingent Liabilities:

Bank Guarantees	26,64,169	26,76,017
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28. Related party disclosures

Related Party Transaction	Relation	Transactions for the year ended March 31		Balance as at March 31	
		2018	2017	2018	2017
Sales & Services					
Danlaw Inc	Associate	8,29,46,498	8,01,57,237	6,61,79,183	2,70,49,614
Purchases					
Danlaw Inc	Associate	78,81,194	7,66,440	80,20,662	1,41,351
Fuzhou Danlaw Xicheng Electr.Tech.Co.Ltd	Associate	5,40,86,200	-	3,02,12,943	-
Remuneration					
Raju S Dandu	KMP MD/Chairman	20,25,617	20,24,184	-	-
Lease Rentals					
D Lakshmi	Relative of KMP - MD	36,72,710	29,82,750	-	-
DSN Raju	Relative of KMP - MD	36,72,710	29,82,750	-	-
Loans					
Danlaw Inc	Associate	4,50,17,626	-	4,50,17,616	-

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

29. Earnings per share

Particulars	For the year ended	
	March 31, 2018	March 31, 2017
Profit after tax	1,43,57,874	(1,57,27,128)
Basic:		
Number of shares outstanding at the year end	37,07,490	37,20,300
Earnings per share (Rs)	3.87	(4.23)
Diluted:		
Weighted average number of equity shares outstanding	37,17,282	37,20,300
Earnings per share (Rs)	3.86	(4.23)

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,		
		2018	2017	2016	2018	2017	2016
Assets:							
Non-Current							
Other Financial Assets	3	15,90,262	15,03,693	13,53,194	15,90,262	15,03,693	13,53,194
Current							
Trade receivables	3	14,13,21,248	5,32,24,519	3,00,13,268	14,13,21,248	5,32,24,519	3,00,13,268
Cash and cash equivalents	3	8,83,34,550	17,99,59,068	19,06,28,947	8,83,34,550	17,99,59,068	19,06,28,947
Other financial assets	3	17,56,411	22,77,284	17,73,873	17,56,411	22,77,284	17,73,873
Total		23,30,02,471	23,69,64,564	22,37,69,282	23,30,02,471	23,69,64,564	22,37,69,282
Liabilities:							
Current							
Trade payables	3	4,25,73,021	12,91,902	53,29,617	4,25,73,021	12,91,902	53,29,617
Total	3	4,25,73,021	12,91,902	53,29,617	4,25,73,021	12,91,902	53,29,617

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., 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.

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.

a. 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.

c. 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
- ▶ Financial instruments (including those carried at amortised cost)

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.

I. 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 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

1) 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 \

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

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.

i) 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
- Estimated useful life of intangible asset
- Estimation of defined benefit obligation

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.



DANLAW TECHNOLOGIES INDIA LIMITED

CIN: L72200TG1992PLC015099

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

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

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

ATTENDANCE SLIP

I/We here by record my/our presence at the 25th Annual General Meeting of the Company being held on 29th September 2018 at 10.00 a.m. at its registered office.

Members Folio / DP ID-Client ID No.

Member's/Proxy's name in Block Letters

Signature of Member/ Proxy

Regd.folio/*Client ID :

*Applicable for members holding shares in electronic form.

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



DANLAW TECHNOLOGIES INDIA LIMITED

CIN: L72200TG1992PLC015099

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

FORM No. MGT-11

PROXY FORM

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

Name of the Company : Danlaw Technologies India Limited
Registered Office : 43, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500 034

Name of the Members (s)	
Registered Address	
E-mail Id	
Folio No/Client ID	
DP ID	

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

- of having e-mail idor failing him
 - of having e-mail idor failing him
 - of having e-mail idor failing him
- and whose signature(s) are appended below as my / our proxy to attend and vote (on a poll) for me / us and on my/our behalf at the 25th Annual General Meeting of the company, to be held on the 29th day of September, 2018 at 10.00 a.m. at its registered office and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Signed thisday of2018

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

Affix One Rupee Stamp Here

Notes :

- The Proxy Duly completed should be deposited at the Registered office of the company not less than 48 (Forty Eight) hours before time fixed for holding the meeting.
- A Proxy need not be a member of the Company.
- A. Person can act as a Proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the company carrying voting rights. A member holding more than 10% of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or share holder.
- This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to Vote in the manner as he/she thinks appropriate.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In the case of Joint holders, the signature of any one holder will be sufficient, but names of all the Joint holders should be stated.

ELECTRONIC VOTING PARTICULARS

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