

DTIL/BSE/2019/189

September 6, 2019

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

Dear Sir,

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

Scrip Code 532329

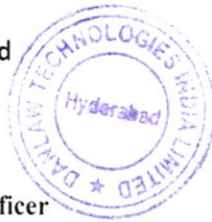
Pursuant to Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 we are enclosing herewith Annual Report for the financial year ended 31st March, 2019 including Notice of 26th Annual General Meeting of the Company to be held on Monday 30th September, 2019 at the registered office of the Company.

This is for your information and record please.

Thanking you,

Yours sincerely,
For Danlaw Technologies India Limited

Gaurav
Gaurav Padmawar
Company Secretary and Compliance Officer



Encl: as above

From the CEO's desk....



Dear Stockholders,

The FY 2018-19 has been a transformational year for our company. We have transitioned from being an Engineering solutions company to an organization with Intellectual Property of its own. The IP enables us to design and develop products for our automotive customers. Our customers expect us to deliver complete manufactured products not just design and development.

The Company has acquired Titan Timeproducts Limited, Goa, an EMS (Electronics Manufacturing Services) company 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 (DEAL). Since then 30% stake in the subsidiary was sold to Danlaw Inc.

Danlaw Inc., with its global exposure of delivering innovative products, will help DEAL become world class EMS facility. During the year we have added significant automation to the existing SMT lines and continue to add infrastructure for significant growth in the upcoming years.

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.

The auto industry has experienced fall in the sale of vehicles across the globe, on the other hand the investments increased in the mobility, electric and automated vehicles. Most of the OEMs are launching newer models with the mobility features. The shift in mobility is driven by Electronics, hardware and software.

Our company has been involved in the space of connected vehicles for a long time and hence is at the right place at the right time to be a significant player in the opportunities presented by the paradigm shift in the mobility.

Summary of consolidated financial results:

- Total revenue 5556 lacs as compared to 2031 lacs of previous year
- Loss after tax of 91 lacs vs. 144 lacs Profit in previous year
- Danlaw Technologies Inc. our US WOS:
 - Total revenues of \$445 thousand US Dollars
 - Income from Operations \$28 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.

I am confident of profitable growth going forward. We take this opportunity to thank the stakeholders for the continued support and we highly appreciate it.

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

Sirish Batchu
Director

MANAGEMENT TEAM

B V Ramana
Chief Operating Officer

A V R K Varma
Chief Financial Officer

Gaurav Padmawar
Company Secretary

REGISTERED OFFICE

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

USA SUBSIDIARY

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

Indian Subsidiary

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

Auditors

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

BANKERS

HDFC Bank Ltd. ,
Banjara Hills Branch,
Hyderabad.

SBI - IFB
Somajiguda, Hyderabad.

REGISTRAR & SHARE TRANSFER AGENT

Karvy Fintech Pvt. Ltd.
Karvy Selenium, Tower B,
Plot Number 31 & 32, Financial District
Gachibowli, Hyderabad 500 032, India.
Phone: 040 - 67161606
E-mail: einward.ris@karvy.com

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NOTICE

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of the Company will be held on Monday, the 30th day of September 2019 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

- a. The Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the reports of the Board of Directors and the Auditors thereon; and
- b. The Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the report of the Auditors thereon.

2. Ratification of 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. CSV & 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 seventh AGM of the Company to be held in the year 2020 at such remuneration plus applicable taxes, 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 (DIN:00073484) 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”.

SPECIAL BUSINESS :

4. Appointment of Mr. Sirish Batchu (DIN 08335245) as a Non-Executive Independent Director

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

“RESOLVED THAT pursuant to the provisions of section 149, 150, 152, read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any Statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), 2015, Mr. Sirish Batchu (DIN 08335245) who was appointed as an Additional Director (Non-Executive & Independent) by the Board at its meeting held on 11th February, 2019 who holds office upto the date of this Annual General Meeting of the Company under Section 161(1) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company not liable to retire by rotation to hold office for 5 (Five) consecutive years from the date of this AGM.

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution.”

5. To re-appoint Mr. Naga Satyanarayana Sappata (DIN: 02423978) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 17(1A), 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) (including any statutory modification (s) or reenactment thereof, for the time being in force), Mr. Naga Satyanarayana Sappata (DIN: 02423978), who was appointed as an Independent Director for first term of five (5) consecutive years from 30.09.2014 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from the date of this AGM.

6. To re-appoint Mr. Ravi Kumar Tamma (DIN: 05306747) as an Independent Director of the Company

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 17(1A), 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) (including any statutory modification (s) or reenactment thereof, for the time being in force), Mr. Ravi Kumar Tamma (DIN: 05306747), who was appointed as an Independent Director for first term of five (5) consecutive years from 30.09.2014 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from the date of this AGM.”

7. To re-appoint Mr. K N Praveen Kumar (DIN: 03147134) as an Independent Director

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

“RESOLVED THAT pursuant to the provisions of Section 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulations 17(1A), 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI LODR Regulations”) (including any statutory modification (s) or reenactment thereof, for the time being in force), Mr. K N Praveen Kumar (DIN: 03147134), who was appointed as an Independent Director for first term of five (5) consecutive years from 30.09.2014 and being eligible for re-appointment, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years from the date of this AGM.”

Place: Hyderabad

Date: 10.08.2019

**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 26th September 2019 to 30th September 2019 (both days inclusive).
4. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 25th September 2019, 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 Fintech 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: inward.ris@karvy.com
6. The Notice of the AGM along with the Annual Report 2018-19 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 2018-19 are being sent by the permitted mode.
7. Members may also note that the Notice of the AGM along with Annual Report 2018-19 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 Fintech 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 (20th September 2019). 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 Fintech 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. Mohammed Shanoor on 040 - 6716 606.

Place: Hyderabad

Date: 10.08.2019

**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, 3, 4, 5,6 and 7 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. 012121S) 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 29, 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.

Item No. 4

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors appointed Mr. Sirish Batchu (DIN: 08335245) as an Additional Director with effect from 11th Feb, 2019. Pursuant to the provisions of Section 161(1) of the Companies Act, 2013

(the “Act”), Mr. Sirish Batchu holds office upto the date of the this Annual General Meeting.

The Company has received a notice in writing under Section 160(1) of the Act, from a member proposing the candidature of Mr. Sirish Batchu, for the office of Director of the Company.

Mr. Sirish Batchu has rich experience of over twenty years in the field of Automotive electronics & software. Brief profile of Mr. Sirish Batchu and information in terms of Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standards on General Meetings in respect of appointment of Mr. Sirish Batchu is mentioned in the annexure which forms part of this notice.

The Company has received declaration from Mr. Sirish Batchu to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act read with the rules framed thereunder and Regulation 16(1) (b) of SEBI Listing Regulations and that he is not debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or such other statutory authority.

In the opinion of the Board, Mr. Sirish Batchu fulfils the condition specified in the Act, the Rules framed thereunder and SEBI Listing Regulations for his appointment as an Independent Director and he is independent of the management of the Company.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Sirish Batchu as an Independent Director for a term of 5 (five) consecutive years from the date of this AGM. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution as set out in item no. 4 of the Notice for the approval of members.

This explanatory statement may also be regarded as a disclosure under the Act and as per SEBI LODR Regulations. The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5

The members of the Company on 30th September, 2014 appointed Mr. Naga Satyanarayana Sappata (DIN: 02423978) as an Independent Director of the Company for a term of five years with effect from 30th September, 2014. Mr. Naga Satyanarayana Sappata will complete his present term at this AGM

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

The Company has received declaration from Mr. Naga Satyanarayana Sappata to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 (the “Act”) read with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. Mr. Naga Satyanarayana Sappata is not debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or such other statutory authority.

In the opinion of the Board, Mr. Naga Satyanarayana Sappata fulfils the conditions specified in the Act, the Rules framed thereunder and the SEBI Listing Regulations for his re-appointment as an Independent Director. The re-appointment is made as a result of performance evaluation of Directors.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Naga Satyanarayana Sappata as an Independent Director. His re-appointment is proposed for a second term of 5 consecutive years commencing from the date of this AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution as set out in item no. 5 of the Notice for the approval of members.

Item No. 6

The members of the Company on 30th September, 2014 appointed Mr. Ravi Kumar Tamma (DIN 05306747) as an Independent Director of the Company for a term of five years with effect from 30th September, 2014. Mr. Ravi Kumar Tamma will complete his present term at this AGM.

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

The Company has received declaration from Mr. Ravi Kumar Tamma to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 (the “Act”) read with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. Mr. Ravi Kumar Tamma is not debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or such other statutory authority.

In the opinion of the Board, Mr. Ravi Kumar Tamma fulfils the conditions specified in the Act, the Rules framed thereunder and the SEBI Listing Regulations for his re-appointment as an Independent Director. The re-appointment is made as a result of performance evaluation of Directors.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail the services of Mr. Ravi Kumar Tamma as an Independent Director. His re-appointment is proposed for a second term of 5 consecutive years commencing from the date of this AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution as set out in item no. 6 of the Notice for the approval of members.

Item No. 7

The members of the Company on 30th September, 2014 appointed Mr. K N Praveen Kumar (DIN 03147134) as an Independent Director of the Company for a term of five years with effect from 30th September, 2014. Mr. K N Praveen Kumar will complete his present term at this AGM.

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

The Company has received declaration from Mr. K N Praveen to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013 (the “Act”) read with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations. Mr. K N Praveen Kumar is not debarred or disqualified from being appointed or continuing as director of the Company by the SEBI/Ministry of Corporate Affairs or such other statutory authority.

In the opinion of the Board, Mr. K N Praveen Kumar fulfils the conditions specified in the Act, the Rules framed thereunder and the SEBI Listing Regulations for his re-appointment as an Independent Director. The re-appointment is made as a result of performance evaluation of Directors.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to avail the services of Mr. K N Praveen Kumar as an Independent Director. His re-appointment is proposed for a second term of 5 consecutive years commencing from the date of this AGM.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution as set out in item no. 7 of the Notice for the approval of members.

ANNEXURE TO THE NOTICE:

Disclosure pursuant Regulation 36 (3) of SEBI Listing Regulations with regard to the Directors seeking Appointment / Re – appointment at the forthcoming Annual General Meeting (refer

Item No.3,4, 5, 6 and 7)

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

Brief Resume :

Name of the Director	Raju S Dandu
Father Name	Raju Venkata Dandu
Date of Birth	01/01/1951
Qualifications	MS in Electrical and Computer Engineering from University of IOWA and MBA from University of Detroit, USA
Date of Appointment	01-04-2016
Experience	36 years

Nature of Expertise in Specific functional areas :

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

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

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

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

Directorship : Nil

Committee Membership : Nil

Shareholding in the Company: Nil

2.Mr. Sirish Batchu (DIN: 08335245)

Brief Resume :

Name of the Director	Sirish Batchu
Father Name	Swaminath Batchu
Date of Birth	08/08/1971
Qualifications	Engineer
Date of Appointment	11.02.2019
Experience	20 years

Nature of Expertise in Specific functional areas :

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

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

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

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

Directorship : Nil

Committee Membership : Nil

Shareholding in the Company: Nil

3. Mr. Naga Satyanarayana Sappata (DIN: 02423978)

Brief Resume :

Name of the Director	Naga Satyanarayana Sappata
Father Name	Venkata Subba Rao Sappata
Date of Birth	17.01.1950
Qualifications	Engineer
Date of Appointment	30.09.2014
Experience	45 years

Nature of Expertise in Specific functional areas :

N S Sappata has served in Indian Navy from December 1973 to January 2008 as deputy general manager in dock yards, ship building center and served in R&D unit from November 2001 to January 2008 and served on Board in ships.

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

Mr. Naga Satyanarayana Sappata is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

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

Directorship : Nil

Committee Membership : Nil

Shareholding in the Company: Nil

4. Mr. Ravi Kumar Tamma (DIN 05306747)

Brief Resume :

Name of the Director	Ravi Kumar Tamma
Father Name	Venkateswara Rao Tamma
Date of Birth	01.05.1952
Qualifications	B.Sc., LLB, PGDCS
Date of Appointment	30.09.2014
Experience	45 years

Nature of Expertise in Specific functional areas :

He is a retired chief manager from Andhra Bank. He served in Andhra Bank for 39 years in various capacities. He worked as branch head, as chief manager (planning & development) and also as chief manager (credits). He has functional expertise in credit card operations management and has also conducted inspections of various branches and administrative offices.

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

Mr. Ravi Kumar Tamma is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

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

Directorship : Nil

Committee Membership : Nil

Shareholding in the Company: Nil

5. Mr. K N Praveen Kumar (DIN 03147134)

Brief Resume :

Name of the Director	K N Praveen Kumar
Father Name	K Venkateshwara Rao
Date of Birth	20.09.1952
Qualifications	B. E (Mech)
Date of Appointment	30.09.2014
Experience	37 years

Nature of Expertise in Specific functional areas :

He is a retired superintendent engineer from the public health and municipal engineering department, Govt of Andhra Pradesh. He worked as deputy chief transport officer in Municipal Corporation of Hyderabad, as Chief General Manager in Hyderabad Metro Water Supply and Drainage Board. He designed and executed water supply schemes (systems) and underground drainage schemes (systems) during his service. He dealt with inviting tenders and acceptance and fixing agency with respect to civil engineering, mechanical engineering works like pump sets, mechanical equipment, water supply systems etc..

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

Mr. K N Praveen Kumar is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

Listed entity (other than Danlaw Technologies India Ltd) in which Mr. K N Praveen Kumar holds the directorship and Committees Membership :

Directorship : Nil

Committee Membership : Nil

Shareholding in the Company: Nil

Place: Hyderabad

Date: 10.08.2019

**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, 2019. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

Financial Results

(Rs. In Lakhs)

Particulars	2018-19				2017-18			
	DTIL	DTI	DEAL	Cons.	DTIL	DTI	DEAL	Cons.
Net Sales/Income from operations	2597.71	137.81	2750.69	5486.21	1820.83	137.24	-	1958.07
Other Income	61.23	6.58	1.83	69.64	71.51	1.33	-	72.84
Total Income	2658.94	144.39	2752.52	5555.85	1892.34	138.57	-	2030.91
Cost of materials	1362.01	-	1598.19	2960.20	693.54	-	-	693.54
Employee's Cost	899.34	109.35	751.39	1760.08	772.78	88.49	-	861.27
Finance Cost	2.07	-	-	2.07	0.63	-	-	0.63
Depreciation	28.18	-	84.06	112.24	18.75	-	-	18.75
Other Expenses	325.03	9.75	500.59	835.37	245.64	10.52	-	256.16
Total Expenses	2616.63	119.10	2934.23	5669.96	1731.34	99.01	-	1830.35
Profit / (Loss) before tax	42.31	25.29	(181.71)	(114.11)	161.00	39.56	-	200.56
Current Tax	8.11	5.63	0.71	14.45	35.95	7.70	-	43.65
Prior Period Tax	(2.60)	-	46.47	43.87	-	-	-	-
Deferred Tax	6.22	-	(87.53)	(81.31)	13.33	-	-	13.33
Profit / (Loss) after tax	30.58	19.66	(141.36)	(91.12)	111.72	31.86	-	143.58
Profit / (Loss) attributable to								
- Owners of the Company	30.58	19.66	(98.95)	(48.71)	111.72	31.86	-	143.58
- Non controlling interests	-	-	(42.41)	(42.41)	-	-	-	-
Paid up equity share capital	370.75	295.66	516.97	370.75	370.75	295.66	-	370.75
Reserves and Surplus (Excl. revaluation reserve)	2046.08	290.08	1164.09	2241.91	2015.59	222.81	-	2238.40
Earnings per share – basic	0.82	30.72	(2.73)	(1.31)	3.01	49.78	-	3.87
Earnings per share – diluted	0.82	30.72	(2.73)	(1.31)	3.01	49.78	-	3.86

DTIL: Danlaw Technologies India Limited

DTI : Danlaw Technologies Inc - 100% wholly owned subsidiary

DEAL: Danlaw Electronics Assembly Limited - subsidiary

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 2018-19.

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 43% to Rs.2597.71 lacs. The net Profit before Extraordinary items and Tax for the fiscal year is Rs.42.31 lacs as compared to a Profit of Rs. 161 lacs in the previous year. During the FY 2018-19, your company has invested heavily in the creation of Intellectual Property. As the demand for engineering talent (especially Automotive Electronics) far exceeds the talent pool available, the success of adding significant talent has been slower than anticipated. During the current fiscal year (2019-20), we have taken steps to add resources in Hyderabad as well as Bangalore. This will help us rebuild the talent pool to offer Engineering solutions to our Global Automotive OEMs and Tier-1 Suppliers. Due to the concentration on products and creation of IP, the net profit for the current year has come down. Management is putting efforts to get the right mix of Products and Services in order to increase the profitability. Your management continued to control the costs without compromising the future delivery capacity.

The other income of Rs.61.23 lacs includes Rs.25.43 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 (DEAL). Subsequently 30% stake in the subsidiary was sold to Danlaw Inc for a consideration of Rs.5.55 crores to augment working capital needs. The acquisition is to facilitate the need of the company to manufacture its electronic products utilizing the assembly lines and expertise of Titan TimeProducts 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 and Danlaw Electronics Assembly Limited become subsidiary with effect from 18th June, 2018. Performance and financial position have been given above in the financial results.

Deposits from public

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

Auditors

In terms of the provisions of Section 139(1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the Company appointed the Statutory Auditors for a period of five years from the conclusion of the 24th Annual General Meeting upto the conclusion of 29th Annual General Meeting. Your Company has received confirmation from the said Auditor that their appointment is within the limits prescribed under Section 139(1) of the Companies Act, 2013 and Rule 4(1)(a) of Companies (Audit and Auditors) Rules, 2014. 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

The auditors' report does not contain any qualifications, reservations or adverse remarks.

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 endeavour 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	2018-2019	2017-2018
Earnings	8,80,92,130	8,91,12,870
Outgo	10,95,66,270	7,16,69,998

Corporate social responsibility policy

Not Applicable

Directors and Key Managerial Personnel

Directors

1. Mr. Raju S Dandu – Chairman and Managing Director(KMP)
2. Mr. M. A. Ashok Kumar – Independent Director
3. Mr. Naga Satyanarayana Sappata – Independent Director
4. Mr. T. Ravi Kumar – Independent Director
5. Mr. K. N. Praveen Kumar – Independent Director
6. Mrs. P.Sundaramma – Independent Director
7. Mr. Sirish Batchu – Independent Director*

*During the year Mr Sirish Batchu was appointed as Additional Director, (Independent Director) by the board of director with effect from 11/02/2019 to hold office up to the ensuing Annual General Meeting.

The resolution seeking approval of the Members for regularization of the appointment of Mr. Sirish Batchu has been incorporated in the notice of the forthcoming annual general meeting of the Company along with brief details about him. The Company has received a notice under Section 160 of the Act along with requisite deposit proposing the appointment of Mr.Sirish Batchu as Director.

Mr. Naga Satyanaryanarya Sappata, Mr. T Ravi Kumar, Mr. K. N. Praveen Kumar and Mr. M. A. Ashok Kumar were appointed as Independent Directors of the Company in the 21st AGM held for a period of 5 years and their tenure ends at 26th AGM to be held in 2019.

The Board of Directors on the basis of the recommendation of the Nomination and Remuneration Committee, proposed to re-appoint Mr. Naga Satyanarayana Sappata, Mr. T Ravi Kumar and Mr. K N Praveen Kumar as the Independent Directors of the Company for a second term of five consecutive years subject to the approval of shareholders at the ensuing Annual General Meeting.

A resolution for proposing re-appointment of Independent Directors of the Company for the second term pursuant to Section 149(6) of the Companies Act, 2013 forms part of the Notice of Annual General Meeting. The said resolution shall also be treated as a Special Resolution under Regulations 17(1A) of SEBI LODR Regulations,

Mr. MA Ashok Kumar has opted not to be re-appointed. The Board places on record its sincere appreciation for the valuable advice during his tenure as Director of the Company.

Key Managerial Personnel

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

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

Except for the above, Mr Raju S Dandu, Managing Director and Mr AVRK Varma, Chief Financial Officer were the Key Managerial Personnel of the Company during the year, pursuant to provisions of the Section 203 of the Companies Act, 2013.

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 Companies Act, 2013 and Regulation 19 read with Schedule II, Part D of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, The performance of the Board was evaluated by the Board after seeking inputs from all the directors on the basis of the criteria such as the Board composition and structure, effectiveness of board processes, information and functioning, etc.

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

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

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

Five 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 2018-19, 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: 6.06
- b. No other directors are paid remuneration except sitting fees
- c. The number of permanent employees on the rolls of the Company: 109

Particulars of employees

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

Vigil Mechanism/ Whistle Blower Policy

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and in terms of regulation 22 of the SEBI Listing Regulation (URL: www.danlawtechnologies.com).

Secretarial Audit Report :

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed M/s MNM & Associates, Company Secretaries in Practice (CP No 11694) to conduct the Secretarial Audit of the Company's secretarial and related records for the year ended 31st March 2019. The Secretarial Audit Report of the Company is annexed herewith as Annexure and forms an integral part of this report.

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 2018-19 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 2018-19.

Acknowledgement

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

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

Place: Hyderabad

Date: 10.08.2019

**By Order of the Board
For Danlaw Technologies India Limited**

**Raju S. Dandu
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
2	Name of the Subsidiary	Danlaw Technologies Inc	Danlaw Electronics Assembly Limited
3	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	Same as holding company April 1st to March 31st	18th June to March 31st
4	Reporting currency and exchange rate as on the last date of relevant financial year in the case of foreign subsidiary	United State Dollar (USD) Rs.69.99 per USD	Rs.
5	Share capital	2,95,66,245	5,16,96,750
6	Reserves & surplus	2,90,07,748	11,64,09,244
7	Total Assets	6,52,07,584	34,92,96,804
8	Total Liabilities	66,33,591	18,11,90,810
9	Investments	-	-
10	Turnover	3,10,73,319	27,83,95,881
11	Profit before taxation	25,29,517	(1,81,71,236)
12	Provision for taxation	5,63,275	(40,35,364)
13	Profit after taxation	19,66,242	(1,41,35,872)
14	Proposed dividend	-	-
15	% of share holding	100	70

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:

- 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 2018-19.

2. Details of material contracts or arrangement or transactions at arm's length basis :

- a. Name(s) of the related party and nature of relationship:
Danlaw Technologies Inc (DTI), wholly owned subsidiary of DTIL.
Danlaw Inc (DI), Associate Company
DSN Raju / D Lakshmi
- b. Nature of contracts / arrangements / transactions:
Electronic hardware sales, IT/ITES Services with DTI and DI
Lease rent agreement for office premises with DSN Raju / D Lakshmi / DI
- c. Duration of the contracts / arrangements / transactions: On going
- d. Salient terms of the contracts or arrangements or transactions including the Value, if any:

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

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

- e. Date(s) of approval by the Board, if any: May 30, 2018. All the contracts were entered into in the ordinary course of business and on arm's length basis.
- f. Amount paid as advances, if any: Nil

Place: Hyderabad

Date: 10.08.2019

**By Order of the Board
For Danlaw Technologies India Limited**

**Raju S. Dandu
Managing Director
DIN:00073484**

Form No. MGT - 9

Annexure III

EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2019

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

I. REGISTRATION AND OTHER DETAILS :

- i. CIN: L72200TG1992PLC015099
- 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:

Plot no.43, Sagar Society,
 Road No.2, Banjara Hills, Hyderabad - 500034
 Tel:914023542499, Fax:914023541671
 Email:investor.relations@danlawtechnologies.com
 Website:www.danlawtechnologies.com

- vi. Whether listed company : Yes

- vii. Name, Address and Contact details of Registrar and Transfer Agent, if any

Karvy Fintech Private Limited
 Karvy Selenium, Tower B
 Plot Number 31 & 32, Financial District, Gatchibowli
 Hyderabad 500008
 Tel:040-67161606,
 Email:einwards.ris@karvy.com
 Website:www.karvyfintech.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No	Name and Description of main products /services	NIC Code of the Product / service	% to total turnover of the company
1.	Computer Programming, Consultancy and Related Activities	620	34
2.	Industrial electronics	264	63
3.	Security Solutions (Trading)	474	2

III. Particulars of Holding & Subsidiary

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

* Danlaw Electronics Assembly Limited became subsidiary with effect from 18th June, 2018

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

I. Category-wise Share Holding

	Category of Share holders	No. of Shares held at the beginning of the year i.e 01.04.2018				No. of Shares held at the end of the year i.e 31.03.2019				% 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	7.17	265913	0	265913	7.17	0
b.	Central Government /State Governments(s)	0	0	0	0	0	0	0	0	0
c.	Bodies Corporate	1461592	0	1461592	39.42	1461592	0	1461592	39.42	0
d.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
e.	Others-	0	0	0	0	0	0	0	0	0
	Sub-Total(A)(1)	1727505	0	1727505	46.60	1727505	0	1727505	46.60	0
2.	Foreign									
a.	Individuals (Non-Resident Individuals /Foreign Individuals)	123300	0	123300	3.33	123300	0	123300	3.33	0
b.	Bodies Corporate	0	0	0	0	0	0	0	0	0
c.	Institutions	0	0	0	0	0	0	0	0	0
d.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
e.	Others-Trust	0	0	0	0	0	0	0	0	0
	Sub-Total(A)(2)	123300	0	123300	3.33	123300	0	123300	3.33	0
	Total Share holding of Promoter and Promoter Group (A)	1850805	0	1850805	49.92	1850805	0	1850805	49.92	0
B.	Public Shareholding									
1.	Institutions									
a.	Mutual Funds /UTI	0	0	0	0	0	0	0	0	0
b.	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
c.	Central Government / State Governments(s)	43000	0	43000	1.16	43000	0	43000	1.16	0
d.	Venture Capital Funds	0	0	0	0	0	0	0	0	0
e.	Insurance Companies	0	0	0	0	0	0	0	0	0

	Category of Share holders	No. of Shares held at the beginning of the year i.e 01.04.2018				No. of Shares held at the end of the year i.e 31.03.2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f.	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Foreign Portfolio Investors (Corporate)	0	0	0	0	0	0	0	0	0
j.	Any Other (specify)	0	0	0	0	0	0	0	0	0
	Sub-Total(B)(1)	43000	0	43000	1.16	43000	0	43000	1.16	0
2	Non-Institutions									
a.	Bodies Corporate	130561	1400	131961	3.56	101215	1400	102615	2.77	(0.79)
b.	Individuals-									
i.	Individual shareholders holding nominal share capital upto Rs.2 lakh	1296680	17616	1314296	35.45	1118965	17541	1136506	30.65	(4.80)
ii.	Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	319983	0	319983	8.63	515889	0	515889	13.91	5.28
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other NRI	42023	0	42023	1.14	56667	0	56667	1.53	0.39
i.	Foreign Companies	0	0	0	0.000	0	0	0	0.000	0.000
ii.	Clearing Members/ Clearing House	5422	0	5422	0.15	2008	0	2008	0.05	(0.10)
	Sub-total(B)(2)	1794669	19016	1813685	48.92	1794744	18941	1813685	48.92	0
	Total Public Shareholding (B)=(B)(1)+(B)(2)	1837669	19016	1856685	50.08	1837744	18941	1856685	50.08	0
	TOTAL(A)+(B)	3688474	19016	3707490	100.000	3688549	18941	3707490	100	0
c.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0
	GRANDTOTAL (A)+(B)+(c)	3688474	19016	3707490	100.000	3688549	18941	3707490	100	0

ii. Share holding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2018			Shareholding at the end of the year 31.03.2019			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Danlaw Systems India Ltd	1461592	39.42	0.00	1461592	39.42	0.00	0.00
2.	Srinivas Dandu	63200	1.70	0.00	63200	1.70	0.00	0.00
3.	Pallavi Dandu	60100	1.62	0.00	60100	1.62	0.00	0.00
4.	Lakshmi Dandu	59000	1.59	0.00	59000	1.59	0.00	0.00
5.	D Lakshmi	60100	1.62	0.00	60100	1.62	0.00	0.00
6.	D Venkat Raju	52800	1.42	0.00	52800	1.42	0.00	0.00
7.	Pallamma Dandu	46300	1.25	0.00	46300	1.25	0.00	0.00
8.	D Praveen Varma	39713	1.07	0.00	39713	1.07	0.00	0
9.	B V Ramana	8000	0.22	0.00	8000	0.22	0.00	0.00
	Total	1850805	49.92	0.00	1850805	49.92	0.00	0.00

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	<i>There is no change in Promoters' Shareholding between 01.04.2018 to 31.03.2019</i>			
2.	Datewise 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.	Top10 Shareholders*	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.	Rajesh Joseph	50000	1.35	70100	1.89
2.	V. Subba Raju Namburi	56500	1.52	56500	1.52
3.	Vivekanand Gangaramani	19500	0.53	48100	1.30
4.	Vaibhav Mishra	45984	1.24	47619	1.28
5.	Vamshidhar Patibandla	11666	0.31	47000	1.27
6.	Karthik Reddy A	44085	1.19	44085	1.19
7.	Mable Rajesh	-	-	34525	0.93
8.	Pannu Bhansali	28134	0.76	30284	0.82
9.	Anie Joseph	-	-	30000	0.81
10.	Anita Dalal	27500	0.74	25000	0.67

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

v. Shareholding of Directors and Key Managerial Personnel :

Sr. No.	Folio/ Beneficiary Account no	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Share holding 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-2018	At the beginning of year	Nil	Nil	Nil	Nil
			31-Mar-2019	At the end of the year	Nil	Nil	Nil	Nil
				Total:	Nil	Nil	Nil	Nil

VI. INDEBTEDNESS

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

(In Rs.)

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

VII. Remuneration of Directors and Key Managerial Personnel

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

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		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 / s17(2) of the Income-tax Act,1961	16,008
	(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(A)	18,16,008

B. Remuneration to other Directors:

(In Rs.)

Sr. No.	Particulars of Remuneration	Fee for attending board /committee meetings	Others, please specify	Total Amount
	Independent Directors			
	Mr.M. A. Ashok Kumar	50,000	-	50,000
	Mr.N. S. Sappata	90,000	-	90,000
	Mr. T. Ravi Kumar	1,10,000	-	1,10,000
	Mr. K. N. Praveen Kumar	90,000	-	90,000
	Mrs. P. Sundaramma	40,000	-	40,000
	Mr. Sirish Batchu	-	-	-
	Total(1)	3,80,000	-	3,80,000

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 Section17(1) of the Income-tax Act,1961	17,00,400	2,34,960	19,35,360
	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	17,00,400	2,34,960	19,35,360

VII. Penalties / Punishment / Compounding of Offences:

There were no penalties, punishment or compounding of offences during the year ended March 31, 2019.

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31STMARCH 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Danlaw Technologies India Limited**(hereinafter called the company) bearing **CINL72200TG1992PLC015099**. Secretarial Audit was conducted in a manner that provided to us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the **Danlaw Technologies India Limited**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31stMarch 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **Danlaw Technologies India Limited**(“the Company”), an **Listed Public Company** for the financial year ended on **31stMarch 2019** 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, 2015;

- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
- d) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) 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;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018;

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015
- (iii) Information Technology Act 2000; Information (Amendment) Act 2008 and Rules for the Information Technology Act 2000
- (iv) Software Technology Parks of India and Rules and Regulations thereon
- (v) The Indian Copyright Act, 1957
- (vi) The Patents Act, 1970
- (vii) The Trademarks Act, 1999

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below Observations:

1. Company Secretary of the Company was not acting as Compliance Officer for some period of the Financial Year which is not in accordance with Regulation 6(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
2. Annual Disclosure by Promoter Group as required under Regulation 30(1) and 30(2) of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 was made after the due date
3. Gap between two Board meetings i.e., 23/01/2018 and 30/05/2018 exceeded 120 days which is not in accordance with Section 173(1) of Companies Act, 2013 and regulation 17(2) of SEBI(LODR) Regulations 2015.

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

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

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

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

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

For MNM & Associates
Company Secretaries
Firm Registration No. P2017TL059600

Sridevi Madati
Partner
M.No.F6476
COP 11694

Date : 8th August, 2019
Place: Hyderabad

Annexure A

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

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

For MNM & Associates
Company Secretaries
Firm Registration No. P2017TL059600

Sridevi Madati
Partner
M.No.F6476
COP 11694

Date : 8th August, 2019
Place: Hyderabad

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 seven directors of whom six are Independent Non-Executive directors.

Five meetings were held during the Financial Year 2018-2019 on 30th May 2018, 14th August 2018, 29th September 2018, 14th November 2018, 11th February 2019 (Independent Directors exclusive meeting held on 29th September, 2018).

The particulars of directors, their attendance and other directorships, memberships/ chairmanships of committees for the financial year 2018-2019 are given below:

Name	Category	Attendance at		Number of Directorships held in other public companies		Number of Committee positions held in other public companies	
		Board	Last AGM	Unlisted	Listed	Unlisted	Listed
Mr. Raju S Dandu	Promoter Executive	5	Yes	1	Nil	Nil	Nil
Mr. M. A. Ashok Kumar	Independent Non-executive	5	Yes	Nil	Nil	Nil	Nil
Mr. Naga Satyanarayana Sappata	Independent Non-executive	4	Yes	Nil	Nil	Nil	Nil
Mr. K N Praveen Kumar	Independent Non-executive	4	Yes	Nil	Nil	Nil	Nil
Mr. T Ravi kumar	Independent Non-executive	5	Yes	Nil	Nil	Nil	Nil
Mrs. P Sundaramma	Independent Non-executive	2	No	Nil	Nil	Nil	Nil
Mr. Sirish Batchu	Independent Non-executive	1	NA	Nil	Nil	Nil	Nil

3. The Committees of the Board

a) Audit Committee

As on 31st March, 2019, 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.

There were 5 (five) meetings held on 30th May 2018, 14th August 2018, 29th September 2018, 14th November 2018, 11th February 2019 during the Financial Year 2018-19

Names of the members and the Chairman of the Committee as on 31st March, 2019 together with their attendance are given in the following table :

Name of Director	Category	No. of meetings attended
Mr. Raju S Dandu	Executive Director	5
Mr. Naga Satyanarayana Sappata	Non-Executive - Independent Director	4
Mr. K. N. Praveen Kumar	Non-Executive - Independent Director	4
Mr. T. Ravi Kumar - Chairman	Non-Executive - Independent Director	5
Mr. P. Sundaramma	Non-Executive - Independent Director	2

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

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

b) Nominations and Remuneration Committee :

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

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.

The Composition of the Nomination and Remuneration Committee and Particulars of meetings attended by the members are given below :

There were two meeting held on 30th May, 2018 and 11th Feb, 2019 during the Financial Year 2018-2019

Name	Category	Number of Nomination and Remuneration Committee meetings attended
Mr. M. A. Ashok Kumar - Chairman	Independent Non-executive	2
Mr. Naga Satyanarayana Sappata	Independent Non-executive	2
Mr. Ravi Kumar Tamma	Independent Non-executive	2

The performance evaluation of the Independent Directors was carried out by the Board.

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 2018 - 2019 :

Name	Salary	Contribution To PF	Perks	Sitting Fee	TOTAL
Mr. Raju S Dandu	18,00,000	2,16,000	16,008	-	20,32,008
Mr. M. A. Ashok Kumar	-	-	-	50,000	50,000
Mr. Naga Satyanarayana Sappata	-	-	-	90,000	90,000
Mr. T. Ravi Kumar	-	-	-	1,10,000	1,10,000
Mrs. P. Sundaramma	-	-	-	40,000	40,000
Mr. K. N. Praveen Kumar	-	-	-	90,000	90,000

c) Stakeholders Relationship Committee

The Stakeholder Relationship Committee (SRC) of the Board of Directors meets the Criteria laid down under Section 178 of the Companies Act, 2013, read with the Regulation 20 of the SEBI Listing Regulations. Mr. M A Ashok Kumar and Mr. Raju S Dandu are members of the committee. While Mr. M A Ashok Kumar is the Chairman, Mr. A V R K Varma is the Compliance Officer and is responsible for the share transfers / demat and remat requests.

There were two meetings held on 30th May, 2018 and 11th Feb, 2019 during the financial year 2018 – 2019.

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

4. General Body Meetings

<u>Year</u>	<u>Meeting</u>	<u>Date, Venue & Time</u>	<u>Special Resolutions passed at the meetings</u>
2016	AGM	30th September, 2016 Regd. Office 10.00 a.m.	Re-appointment of Mr. Raju S Dandu as Managing Director
2017	AGM	29th September, 2017 Regd. Office 10.00 a.m.	-
2018	AGM	29th September, 2018 Regd. Office 10.00 a.m.	-
2018	EGM	15th November, 2018 Reg. Office	Divestment by way of sale, transfer or disposal of shareholding in M/s. Danlaw Electronics Assembly Limited and approval of RPT

5. 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 along with 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.

6. General Shareholder Information :

1. Annual General Meeting :

Date Time	30th September, 2019 10.00 AM
Venue	Registered Office of the Company at Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad, Telangana - 500 034.
Book Closure Date	26th to 30th September 2019 (both days inclusive)

2. Financial Year : April 01 to March 31.

3. **Listing on Stock Exchange :** The Company's equity shares are listed on the Bombay Stock Exchange (BSE) P. J. Towers, Dalal Street, Mumbai – 400 001.

4. **Stock Code :** 532329

5. **International Securities Identification Number (ISIN) with Depositories viz. NSDL and CDSL for the Company's equity shares:** INE310B01013

6. **Market Price Data : High, Low during each month in last financial year is given below:**

S No.	Month	High	Low
1	April 2018	99.65	68.50
2	May 2018	90.90	77.50
3	June 2018	120.45	79.65
4	July 2018	154.00	118.85
5	August 2018	208.50	146.10
6	September 2018	170.00	129.85
7	October 2018	136.00	102.00
8	November 2018	145.50	105.00
9	December 2018	122.85	100.00
10	January 2019	108.90	81.85
11	February 2019	101.60	75.30
12	March 2019	122.60	88.20

7. Registrar and Transfer Agents :

Share transfer and all other investor related matters are attended to and processed by our Registrar and Transfer Agents, i.e. Karvy Fintech Private Limited having their office at Karvy Selenium, Tower-B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad -500032.

8. Share Transfer System :

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 Fintech Private Limited, process the physical share transfers and demat / remat requests, with intimation to the Company.

9. Distribution of shareholding as on March 31, 2019 :

No. of Equity Shares held	Shareholders	%	Share Amount INR	%
1-5000	1905	81.03	21,63,130	5.83
5001-10000	188	8.00	15,30,380	4.13
10001-20000	93	3.96	14,28,090	3.85
20001-30000	41	1.74	10,30,560	2.78
30001-40000	20	0.85	7,03,840	1.90
40001-50000	19	0.81	8,88,590	2.40
50001-100000	48	2.04	34,67,970	9.35
100001 & above	37	1.57	2,58,62,340	69.76
Total	2351	100.00	3,70,74,900	100

10. Shareholding pattern as on March 31, 2019:

Category	No. of Shared Held	% of Total
Promoters Holdings	1850805	49.92
Banks/FIs/MFs/Governments	-	-
Central Government/State Governments/ President of India	43000	1.16
Bodies Corporate	102615	2.27
NRI/OCB	56667	1.53
Indian Public	1652395	44.56
Clearing Members	2008	0.05
Total	3707490	100

11. Dematerialization of Shares :

99.49% of the total equity share capital of the Company is held in a dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited as on March 31, 2019. The face value of share is 10/- per share.

12. Outstanding GDRs / ADRs /Warrants or any Convertible Instruments, conversion date and likely Impact on Equity : The Company has not issued GDRs/ADRs /Warrants or any convertible instruments.

13. Plant Locations:

Registered Office :
Danlaw Technologies India Limited
Plot no.43, Sagar Society,
Road No.2, Banjara Hills, Hyderabad 500034

US office address :

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

Indian Subsidiary

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

14. Outstanding Shares in Unclaimed Suspense Account of the Company as on 31st March 2019: NIL

15. Address for correspondence:

Shareholders may correspond with –

a) Registrar & Transfer Agents for all matters relating to transfer / dematerialization of shares etc:

Karvy Fintech Private Limited
Karvy Selenium, Tower B
Plot Number 31 & 32, Financial District, Gachibowli
Hyderabad 500 032
Tel: 040 - 67161606
Email: einward.ris@karvy.com
Website: www.karvyfintech.com

b) Respective Depository Participants (DPs) for shares held in demat mode. Shareholders are requested to take note that all queries in connection with change in their residential address, etc. are to be sent to their respective DPs.

- c) For all investor related matters:
Gaurav Padmawar
Company Secretary
Danlaw Technologies India Limited
Plot no.43, Sagar Society,
Road No.2, Banjara Hills, Hyderabad 500034
Tel: 91 40 2354 2499, Fax: 91 40 2354 1671
Email: investor.relations@danlawtechnologies.com
Website: www.danlawtechnologies.com

7. Disclosures :

- i. There have been no materially significant related party transactions that may have potential conflict with the interests of the Company at large.
- ii. During the last three years, there were no instances of non-compliance by the Company and no penalty or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets.
- 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. The Company has not raised funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A)
- v. A Certificate has been received from MNM & Associates, Practicing Company Secretaries, Hyderabad that none of the directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any such statutory authority. – Annexure Attached Herewith
- vi. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors is as follows:-

Particulars	March 31, 2019
Statutory Audit fees (including quarterly audits)	2,00,000
Internal Audit Fees	80,000
For other services (certifications, etc.)	19,000
For taxation matters	-
For reimbursement of expenses	6,200
Total	3,05,200

vii. Details of complaints received, redressed and pending on Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are as follows:

- a) Number of complaints filed during the financial Year – Nil
b) Number of complaints disposed of during the financial year – Not Applicable
c) Number of complaints pending as on end of the financial year – Nil

**PRACTISING COMPANY SECRETARIES’
CERTIFICATE ON CORPORATE GOVERNANCE**

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

We have examined the compliance of the conditions of Corporate Governance by **Danlaw Technologies India Limited** having CIN **L72200TG1992PLC015099** and having registered office at Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034 (‘the Company’) for the year ended on March 31, 2019, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’).

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2019 except the following

Gap between two Board meetings i.e., 23/01/2018 and 30/05/2018 exceeded 120 days which is not in accordance with regulation 17(2) of SEBI(LODR) Regulations 2015 (See Note below)

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

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

Sridevi Madati
Partner
M.No.F6476
COP 11694

Date: 8th August, 2019
Place: Hyderabad

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The financial statements have been prepared in compliance with accounting standards INDAS. 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 create our Intellectual Property by developing 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.

The net sales for current year are Rs.5486.21 Lakhs as compared to Rs.1958.07 Lakhs in the last fiscal year.Increase in sales due to contribution of sales of Rs.2584.34 from the subsidiary Danlaw Electronics Assembly Ltd which was acquired during the current year. The net lossaftertax is Rs.47.16 Lakhs as compared to Profit of Rs.140.62Lakhs in the 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 109 Employees.

Cautionary Statement

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

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

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

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

Our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name of Director	DIN	Date of Appointment in the Company
1	Raju Satyanarayana Dandu	00073484	19/11/1999
2	Muppanna Ankaiah Ashok Kumar	00045549	19/11/1999 (Designated as Independent Director on 30/09/2014)
3	Sundaramma Patibandla	02366355	25/03/2015
4	Nagasatyanarayana Sappata	02423978	31/10/2008 (Designated as Independent Director on 30/09/2014)
5	Kotti Nanda Praveen Kumar	03147134	19/07/2010 (Designated as Independent Director on 30/09/2014)
6	Ravi Kumar Thamma	05306747	25/06/2012 (Designated as Independent Director on 30/09/2014)
7	SirishBatchu	08335245	11/02/2019

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

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

Sridevi Madati
Partner
M.No.F6476
COP11694

Date: 8th August, 2019
Place: Hyderabad

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

As required by Schedule V (D) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that the Company has adopted a Code of Conduct for all Board Members and Senior Management of the Company. The Code is available on the Company's website. I confirm that the Company has in respect of the financial year ended March 31, 2019, received from the senior management team of the Company and the Members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Place: Hyderabad
Date : Aug 10 2019

Raju S Dandu
Chairman & Managing Director
DIN: 00073484

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 2019 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 20, 2019

Raju S Dandu
Chairman & Managing Director
DIN: 00073484

AVRK Varma
CFO

CSV& Associates
Chartered Accountants



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

INDEPENDENT AUDITOR'S REPORT

To
The Members of
DANLAW TECHNOLOGIES INDIA LIMITED

Report on the Audit of the Separate Ind AS Financial Statements Opinion

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, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid separate Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date

Basis for Opinion

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

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. 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.

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

The Board of Directors are also responsible for overseeing the company's financial reporting process. Auditor's Responsibilities for the Audit of the Separate Ind AS Financial Statements

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

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

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

financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate Ind AS financial statements, including the disclosures, and whether the Separate Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act based on our audit, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid separate Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - I. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**Place: Hyderabad
Date : 20.05.2019**

**(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 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the company.

- (vii)(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax (GST), custom duty, cess and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and Services Tax (GST), customs duty and cess were in arrears, wherever applicable, as at 31st March, 2019 for a period of more than six months from the date they became payable.

According to the information and explanations given to us, there are no dues of income tax, Goods and Services Tax (GST), customs duty and cess which have not been deposited on account of any dispute.

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

Place: Hyderabad
Date : 20.05.2019

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 31st March 2019 in conjunction with our audit of the separate 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 of the company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of 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 31st March 2019, 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 : 20.05.2019

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

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

DANLAW TECHNOLOGIES INDIA LIMITED
BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	90,42,983	86,35,601
Other intangible assets	4	27,49,418	3,68,504
Financial assets			
(a) Investments	5	15,90,66,245	2,95,66,245
(b) Other financial assets (carried at amortised cost)	6	45,38,074	15,90,262
Deferred tax assets (net)	15	10,96,704	17,15,930
Tax assets	15	16,87,783	19,79,739
Other non-current assets	7	42,38,581	38,147
Total Non - Current Assets		18,24,19,788	4,38,94,428
Current Assets			
Inventories	8	2,01,85,708	1,84,67,983
Financial assets			
(a) Trade receivables	9	6,18,18,633	13,71,73,903
(b) Cash and cash equivalents	10	4,61,61,976	8,45,98,213
(c) Other financial assets (carried at amortised cost)	6	11,38,519	17,56,411
Other current assets	7	3,47,01,838	39,71,328
Total Current assets		16,40,06,674	24,59,67,838
Total Assets		34,64,26,463	28,98,62,266
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11	3,70,74,900	3,70,74,900
Other equity	12	20,46,08,204	20,15,59,390
Equity attributable to owners of the Company		24,16,83,104	23,86,34,290
Non-current liabilities			
Financial Liabilities			
(a) Other financial liabilities	13	23,68,512	-
Other non-current liabilities	16	28,99,488	-
Total Non-current liabilities		52,67,999	-
Current liabilities			
Financial liabilities			
(i) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	17	-	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	6,64,49,677	4,18,56,159
(ii) Other financial liabilities	13	14,50,703	2,47,034
Provisions	14	34,40,795	17,27,352
Current tax liabilities, net	15	8,11,195	35,95,098
Other current liabilities	16	2,73,22,990	38,02,333
Total Current liabilities		9,94,75,360	5,12,27,976
Total liabilities		10,47,43,360	5,12,27,976
Total Equity and liabilities		34,64,26,463	28,98,62,266
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

RAJU S DANDU
Chairman &
Managing Director
DIN: 00073484

RAVI KUMAR TAMMA
Director
DIN: 05306747

(CA.VENKATESH G.)
Partner
Membership No: 236908

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
May 20, 2019

DANLAW TECHNOLOGIES INDIA LIMITED
Statement of Profit and Loss for the period ended March 31, 2019

Particulars	Notes	"For the Year ended March 31, 2019"	"For the Year ended March 31, 2018"
INCOME			
Revenue from operations	18	25,97,70,573	18,20,83,029
Other income (net)	19	61,23,467	71,50,562
Total income		26,58,94,040	18,92,33,591
EXPENSES			
Cost of materials consumed	21	13,52,46,331	6,26,48,299
Purchases of stock-in-trade		14,06,326	56,27,076
Changes in inventories of finished goods and work-in-progress	22	(4,50,624)	10,78,836
Employee benefits expense	20 & 26	8,99,33,901	7,72,78,468
Finance costs	23	2,06,763	62,813
Depreciation and amortisation expense	24	28,18,176	18,74,760
Other operating expenses	25	3,25,02,615	2,45,63,695
Total expenses		26,16,63,488	17,31,33,947
Profit before tax		42,30,552	1,60,99,644
Tax expense			
Current tax	15	8,11,195	35,95,098
Prior period tax	15	(2,60,483)	-
Deferred tax	15	6,22,294	13,32,739
Total tax expense		11,73,006	49,27,837
Profit for the year		30,57,546	1,11,71,807
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		(11,801)	3,69,674
(b) Income tax relating to items that will not be reclassified to profit or loss		3,068	(1,01,854)
Total other comprehensive income /(Losses)		(8,733)	2,67,820
Total comprehensive income for the year		30,48,813	1,14,39,627
Earnings per equity share			
(Equity shares, par value of Rs. 10 each)			
Basic (Rs.)	29	0.82	3.01
Diluted (Rs.)		0.82	3.01
Corporate information and significant accounting policies			
The accompanying notes form an integral part of the statements	1 & 2 3-29		

As per our report attached

for 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

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
May 20, 2019

DANLAW TECHNOLOGIES INDIA LIMITED
Statement of changes in equity for the year ended March 31, 2019

a. Equity

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

b. Other Equity

Particulars	Reserves and Surplus		Items of OCI	Total
	Securities premium reserve	Retained earnings		
Balance at March 31, 2017	26,58,07,400	(7,44,16,489)	(5,66,598)	19,08,24,313
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	(6,32,44,682)	(2,98,778)	20,15,59,390
Remeasurement of net defined benefit liability/asset, net of tax effect			(8,732)	(8,732)
Profit for the year		30,57,546		30,57,546
Balance at March 31, 2019	26,51,02,850	(6,01,87,136)	(3,07,510)	20,46,08,204

As per our report attached

for and on behalf of the Board

For CSVR & ASSOCIATES
Chartered Accountants
FRN: 012121S

RAJU S DANDU
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Company Secretary
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Hyderabad
May 20, 2019

DANLAW TECHNOLOGIES INDIA LIMITED
Statement of Cash Flows

Particulars	"For the Year ended March 31, 2019"		"For the Year ended March 31, 2018"	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	42,18,751		1,60,99,644	
Adjustments for:				
Depreciation and amortisation expense	28,18,176		18,74,760	
Operating profit before working capital changes		70,36,927		1,79,74,404
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	7,53,55,270		(8,36,83,410)	
Other financial assets	(3,72,60,864)		3,99,279	
Inventories	(17,17,725)		(1,36,21,402)	
Other assets	2,91,956		18,39,508	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	2,45,93,518		4,07,05,608	
Other financial liabilities	35,72,181		1,48,662	
Other liabilities	2,36,36,242		(2,92,748)	
Provisions	17,13,443		1,68,126	
Cash generated from operations		9,72,20,948		(3,63,61,973)
Net income tax paid		(5,50,712)		(35,95,098)
Net cash flow from operating activities (A)		9,66,70,236		(3,99,57,071)
B. CASH FLOW FROM INVESTING ACTIVITIES				
Capital expenditure on fixed assets, including capital advances	(56,06,473)		(39,63,709)	
Purchase of long-term investments	(12,95,00,000)		-	
Buyback of Equity Shares			(8,32,650)	
Net cash (used in) / flow from investing activities (B)		(13,51,06,473)		(47,96,359)
Net (decrease) in Cash and cash equivalents (A+B+C)		(3,84,36,237)		(4,47,53,430)
Cash and cash equivalents at the beginning of the year		8,45,98,213		12,93,51,643
Cash and cash equivalents at the end of the year		4,61,61,976		8,45,98,213
(Refer Note (i) below)				

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
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(CA.VENKATESH G.)
Partner
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Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
May 20, 2019

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

Property, plant and equipment and Capital working progress

Description of Assets	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
I. Cost or deemed cost								
Balance as at March 31, 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
Additions	-	12,31,049	6,39,829	96,239	4,66,090	3,78,482	-	28,11,689
Balance as at March 31, 2019	14,84,850	85,35,853	38,01,332	8,48,566	92,43,645	31,57,424	45,44,721	3,16,16,391
II. Accumulated depreciation								
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
Depreciation expense for the year	49,446	13,84,267	3,20,919	1,22,884	83,819	1,06,822	3,36,150	24,04,307
Balance as at March 31, 2019	5,97,023	54,99,800	16,31,386	4,69,062	83,79,788	23,13,957	36,82,392	2,25,73,408
III. Carrying Amount								
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	-	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
Additions	-	12,31,049	6,39,829	96,239	4,66,090	3,78,482	-	28,11,689
Depreciation expense	(49,446)	(13,84,267)	(3,20,919)	(1,22,884)	(83,819)	(1,06,822)	(3,36,150)	(24,04,307)
Balance as at March 31, 2019	8,87,827	30,36,053	21,69,946	3,79,504	8,63,857	8,43,467	8,62,329	90,42,983

4. : Other intangible assets	
Description of Assets	Computer software
I. Cost or deemed cost	
Balance as at March 31, 2017	28,05,300
Additions	2,72,400
Balance as at March 31, 2018	30,77,700
Additions	27,94,784
Balance as at March 31, 2019	58,72,484
II. Accumulated depreciation and impairment	
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
Amortisation expense for the year	4,13,870
Balance as at March 31, 2019	31,23,066
III. Carrying Amount	
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
Additions	27,94,784
Depreciation expense	4,13,870
Balance as at March 31, 2019	27,49,418

5. Investments

Particulars	As at	
	March 31, 2019	March 31, 2018
A. Non-current investments (Refer Note 1 below)		
Investment carried at cost		
(i) Equity instruments of Subsidiaries (unquoted)		
Danlaw Technologies Inc, USA	2,95,66,245	2,95,66,245
Danlaw Electronics Assembly Ltd	12,95,00,000	
	15,90,66,245	2,95,66,245

Particulars	As at March 31, 2019		As at March 31, 2018	
	QTY	Amount	QTY	Amount
Investments In Subsidiaries				
I. Unquoted Investments (all fully paid)				
Investments in Equity Instruments				
- of Subsidiaries				
(a) - Wholly owned subsidiary (Danlaw Technologies Inc)	64,000	\$6,40,000	64,000	\$6,40,000
(b) - Subsidiary (Danlaw Electronics Assembly Ltd)	36,18,772			12,95,00,000

6. Other financial assets (carried at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Security deposits		
- Secured, considered good		
- Unsecured, considered good	45,38,074	15,90,262
Total non-current other financial assets	45,38,074	15,90,262
Current		
Interest accrued on deposits	9,78,641	15,56,667
Security deposits	1,59,878	1,99,744
Total current other financial assets	11,38,519	17,56,411
Total other financial assets	56,76,593	33,46,673

7. Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Prepaid expenses	42,38,581	38,147
Total non-current assets	42,38,581	38,147
Current:		
Prepaid expenses	9,38,994	6,40,082
Balance with government authority	1,02,960	19,80,212
Advances recoverable in cash or kind -Current	3,36,59,884	13,51,034
Total current assets	3,47,01,838	39,71,328
Total other assets	3,89,40,419	40,09,475

8. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Inventories lower of cost and net		
Raw materials	1,74,63,821	1,61,96,720
Finished goods	27,21,887	22,71,263
Total	2,01,85,708	1,84,67,983

9. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables Non Current		
Trade receivables - Current		
Unsecured, considered good	6,18,18,633	13,71,73,903
Doubtful		
Total	6,18,18,633	13,71,73,903

10: Cash and Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
in current accounts	1,38,84,199	44,07,081
in deposit accounts	3,22,50,961	8,01,70,169
Cash on hand	26,816	20,963
Total Cash and cash equivalents	4,61,61,976	8,45,98,213
Cash and cash equivalents as per Statement of Cash flows	4,61,61,976	8,45,98,213

11. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
5000000 fully paid up equity shares of `10 each	5,00,00,000	5,00,00,000
Issued and subscribed capital:		
Issued Equity Share capital	3,70,74,900	3,70,74,900
Total	3,70,74,900	3,70,74,900

Notes:

(A) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
Balance at March 31, 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
Issue of shares under the Company's employee share option plan	-	-
Buyback of shares	-	-
Balance at March 31, 2019	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 preceeding 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, 2019		As at March 31, 2018	
	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	39.29%	14,61,592	39.29%

12. Other equity excluding non-controlling interests

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve		
Securities premium account	26,51,02,850	26,51,02,850
Retained earnings	(6,04,94,646)	(6,35,43,460)
Balance at end of year	20,46,08,204	20,15,59,390

12.2 Securities premium reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	26,51,02,850	26,58,07,400
Used for Buyback of shares		(7,04,550)
Balance at end of year	26,51,02,850	26,51,02,850

12.3 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	(6,35,43,460)	(7,49,83,086)
Profit attributable to owners of the Company	30,57,546	1,11,71,807
Remeasurements of the defined benefit plans	(8,733)	2,67,820
Balance at end of year	(6,04,94,646)	(6,35,43,460)

13. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Retention monies		
Security deposits	23,68,512	-
Total	23,68,512	-
Current		
(i) Others	14,50,703	2,47,034
Total	14,50,703	2,47,034

14. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
Employee benefits	34,40,795	17,27,352
Current	34,40,795	17,27,352

15. Income taxes

15.1 Deferred tax balance

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	12,64,986	20,19,186
Deferred tax liabilities	1,68,282	3,03,256
Total	10,96,704	17,15,930

2018-19	Opening Balance	Recognised in profit or loss	Closing balance'
Deferred tax (liabilities)/assets in relation to			
Depreciation & Amortization	28,647	(33,193)	(4,546)
Employee benefit expense OCI	(1,66,804)	3,068	(1,63,736)
MAT Credit	18,23,735	(5,58,749)	12,64,986
Others	30,352	(30,352)	-
Total	17,15,930	(6,19,226)	10,96,704

15.2. Tax assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Tax assets		
Non Current	16,87,783	19,79,739
Current tax liabilities		
Income tax payable	8,11,195	35,95,098
Total Current tax liabilities	8,11,195	35,95,098

15.3 - Tax Expense

a) Recognised in statement of profit and loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	8,11,195	35,95,098
In respect of prior years	(2,60,483)	-
	5,50,712	35,95,098
Deferred tax		
In respect of the current year	6,22,294	13,32,739
	6,22,294	13,32,739

b) Recognised in Other comprehensive Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
Deferred tax		
In respect of the current year	(3,068)	1,01,854
	(3,068)	1,01,854

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operations	42,18,751	1,64,69,318
Income tax expense calculated	8,11,195	35,95,098
Depreciation adjustment	(1,20,691)	(1,99,283)
Expenses disallowed under Income Tax Act	1,69,086	45,658
Set off of losses	-	(28,97,849)
Taxable Income	42,67,146	1,30,48,170
Tax Rate	19.01%	27.55%

16. Other liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Revenue received in advance	28,99,488	-
Total	28,99,488	-
Current		
Advance from customers	2,49,78,524	3,78,989
Statutory remittances	21,95,594	29,68,701
Others	1,48,872	4,54,643
Total	2,73,22,990	38,02,333

17. Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables - Current		
Dues to micro enterprises and small enterprises	-	-
Dues to creditors other than micro enterprises and small enterprises	6,64,49,677	4,18,56,159
Total	6,64,49,677	4,18,56,159

18. Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of services	9,44,37,091	9,50,08,143
Sale of products	16,53,33,482	8,70,74,886
Total	25,97,70,573	18,20,83,029

19. Other income (net)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on financial assets carried at amortised cost		
Bank deposits	25,46,362	55,30,671
Interest income from related parties	-	-
Others	1,30,043	86,569
	26,76,405	56,17,240
Other non-operating income		
Miscellaneous income (net)	1,16,984	-
	1,16,984	-
Other gains and losses		
Net foreign exchange gain	33,30,078	15,33,323
	33,30,078	15,33,323
Total	61,23,467	71,50,563

20. Employee Benefits Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages, including bonus	7,81,87,360	6,84,28,947
Contribution to provident and other funds	81,77,324	56,03,861
Staff welfare expenses	35,69,217	32,45,660
Total	8,99,33,901	7,72,78,468

21. Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Opening stock	1,61,96,720	9,52,926
(b) Add: Purchases	13,65,13,432	7,78,92,093
(c) Less: Closing stock	1,74,63,821	1,61,96,720
	13,52,46,331	6,26,48,299

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock:		
Finished goods	22,71,263	33,50,099
Work-in-progress	-	-
	22,71,263	33,50,099
Closing Stock:		
Finished goods	27,21,887	22,71,263
Work-in-progress	-	-
	27,21,887	22,71,263
Net (increase) / decrease	(4,50,624)	10,78,836

23. Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
- Interest on bank overdrafts and loans	37,677	17,155
- Other interest expense	1,69,086	45,658
Total	2,06,763	62,813

24. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment	24,04,306	15,53,226
Amortisation of intangible assets	4,13,870	3,21,534
Total	28,18,176	18,74,760

25. Other operating expenses

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Rent including lease rentals (Refer Note (i) below)		98,70,676		69,84,118
Rates and taxes		4,05,159		10,23,136
Insurance		1,74,554		2,51,606
Freight Outwards		6,49,099		3,76,963
Travelling and conveyance		65,08,571		42,59,723
Sub-contracting charges		21,01,967		13,20,239
Communication		6,29,372		5,86,170
Printing and stationery		3,16,389		3,80,360
Power and fuel		14,70,180		13,56,381
Marketing and advertising expenses		37,790		82,009
Repairs and maintenance				
- Buildings		4,68,527		4,53,361
- Machinery		3,06,175		7,93,847
- Security		4,76,260		3,12,000
- House Keeping		5,00,364		4,30,519
- Vehicles		3,60,298		2,78,105
- Office Maintenance		1,75,045		-
Directors Remuneration				
- Non executive directors commission				
- Directors sitting fees	3,80,000	3,80,000	4,50,000	4,50,000
Legal & professional charges				
Trade receivables written off (net)	12,02,277		74,136	
Less: Reversal of provision for doubtful debts		12,02,277	-	74,136
Auditors' remuneration (Refer Note (ii) below)		2,25,200		2,45,300
Recruitment expenses		1,91,766		82,140
Depository Registrar Fee		2,14,487		6,39,576
Listing Fee		2,30,000		4,86,000
Registration/Licences/Filing fee		11,91,058		7,32,353
Professional Fee		36,44,789		21,44,603
Bank charges		5,68,649		1,62,087
Miscellaneous expenses		2,03,963		6,58,963
Total		3,25,02,615		2,45,63,695

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Company		
For statutory audit	2,00,000	1,80,000
For other services	19,000	58,900
Reimbursement of expenses	6,200	6,400
Total Auditors' remuneration	2,25,200	2,45,300

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, 2019	For the year ended March 31, 2018
Salary	18,00,000	18,00,000
Contribution to PF	2,16,000	2,16,000
Medical	16,008	9,617
Total	20,32,008	20,25,617

27. Contingent Liabilities:

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

Related Party Transaction	Relation	Transactions for the year ended March 31		Balance as at March 31	
		2019	2018	2019	2018
Sales & Services					
Danlaw Technologies Inc	Subsidiary	1,63,78,032	2,00,17,320	45,21,712	1,85,99,994
Danlaw Inc	Associate	7,17,14,097	6,90,95,550	(2,39,69,475)	6,24,00,558
Purchases					
Danlaw Inc	Associate	1,03,80,551	73,03,800	91,11,430	73,03,800
Danlaw Electronics Assembly Ltd	Subsidiary	37,03,541	-	19,27,570	-
Remuneration					
Raju S Dandu	KMP MD/Chairman	20,32,008	20,25,617	-	-
Lease Rentals					
D Lakshmi	Relative of KMP - MD	32,88,480	31,31,885	-	-
DSN Raju	Relative of KMP - MD	32,88,480	31,31,885	-	-
Investments					
Danlaw Technologies Inc	Subsidiary	-	-	2,95,66,245	2,95,66,245
Danlaw Electronics Assemble Ltd	Subsidiary	12,95,00,000	-	12,95,00,000	-

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, 2019	For the year ended March 31, 2018
Profit after tax	30,57,546	1,11,71,807
Basic:		
Number of shares outstanding at the year end	37,07,490	37,07,490
Earnings per share (₹)	0.82	3.01
Diluted:		
Effect of potential equity shares on employee stock options outstanding		
Weighted average number of equity shares outstanding	37,07,490	37,17,282
Earnings per share (₹)	0.82	3.01

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,	
		2019	2018	2019	2018
Assets:					
Non-Current					
Other Financial Assets	3	45,38,074	15,90,262	45,38,074	15,90,262
Current					
Trade receivables	3	6,18,18,633	13,71,73,903	6,18,18,633	13,71,73,903
Cash and cash equivalents	3	4,61,61,976	8,45,98,213	4,61,61,976	8,45,98,213
Other financial assets	3	11,38,519	17,56,411	11,38,519	17,56,411
Total		11,36,57,202	22,51,18,789	11,36,57,202	22,51,18,789
Liabilities:					
Current					
Trade payables	3	6,64,49,677	4,18,56,159	6,64,49,677	4,18,56,159
Total	3	6,64,49,677	4,18,56,159	6,64,49,677	4,18,56,159

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

CSVR& Associates
Chartered Accountants



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Hyderabad - 500034
Ph: 040-23551980
Email:csvrassociates@gmail.com

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED IND AS FINANCIAL STATEMENTS

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

Report on the Audit of the Consolidated Ind AS financial statements Opinion

We have audited the accompanying consolidated Ind AS financial statements of M/s. Danlaw Technologies India Limited ("the Company"), its subsidiaries Namely Danlaw Technologies Inc. & Danlaw Electronics Assembly Limited (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss (including consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2019, the consolidated profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Consolidated Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and

consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(I) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that :
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- © The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in the “Annexure A”; and
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditor’s) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Group does not have any pending litigations which would impact its financial position in its consolidated Ind AS financial statements.
- (ii) The Group has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and
- (iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Group in accordance with the relevant provisions of the Companies Act, 2013.

Other Matters

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

Particulars	Danlaw Technologies Inc. (in \$)	Danlaw Electronics Assembly Limited (in Rs.)
Revenue	4,36,079	27,82,12,782
Profit after Tax	28,306	-1,44,92,799
Total Assets as on 31.03.2019	10,81,670	34,92,96,804

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

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

**PLACE : HYDERABAD
DATE :20.05.2019**

**(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, 2019, we have audited the internal financial controls over financial reporting of **M/s. DANLAW TECHNOLOGIES INDIA LIMITED** (“the Company”) and its subsidiary company which are incorporated in India as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Holding Company and its subsidiary company, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, 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 : 20.05.2019

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

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

DANLAW TECHNOLOGIES INDIA LIMITED
CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

Particulars	Notes	As at	As at
		March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	11,91,63,768	86,35,601
Capital work-in-progress	3	5,99,839	-
Goodwill	5	24,01,207	-
Other intangible assets	4	27,49,418	3,68,504
Financial assets			
(b) Other financial assets (carried at amortised cost)	6	46,23,800	15,90,262
(c) Loans	11	9,06,014	-
Deferred tax assets (net)	15	2,10,74,239	17,15,930
Tax assets	15	43,50,836	21,18,687
Other non-current assets	7	44,28,293	38,147
Total Non - Current Assets		16,02,97,414	1,44,67,131
Current Assets			
Inventories	8	10,16,36,400	1,84,67,983
Financial assets			
(a) Trade receivables	9	15,59,55,598	14,13,21,248
(b) Cash and cash equivalents	10	6,86,88,561	8,83,34,550
(c) Loans	11	4,35,25,282	4,50,17,626
(d) Other financial assets (carried at amortised cost)	6	11,43,013	17,56,411
Other current assets	7	3,31,70,261	39,71,328
Total Current assets		40,41,19,115	29,88,69,146
Total Assets		56,44,16,529	31,33,36,277
EQUITY AND LIABILITIES			
Equity			
Equity share capital	12	3,70,74,900	3,70,74,900
Other equity	12	22,41,91,367	22,38,39,614
Equity attributable to owners of the Company		26,12,66,267	26,09,14,514
Non-controlling interests	15	5,04,31,784	-
Total Equity		31,16,98,051	26,09,14,514
Non-current liabilities			
Financial Liabilities			
(a) Other financial liabilities	13	23,68,512	-
Provisions	14	3,73,89,862	-
Other non-current liabilities	20	28,99,488	-
Total Non-current liabilities		4,26,57,862	-
Current liabilities			
Financial liabilities			
(i) Trade payables			
a) Total outstanding dues of micro enterprises and small enterprises	17	22,54,736	-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises	17	15,14,54,133	4,25,73,021
(ii) Other financial liabilities	13	14,69,553	2,47,034
Provisions	14	39,73,385	17,27,352
Current tax liabilities, net	15	8,11,195	35,95,098
Other current liabilities	16	5,00,97,614	42,79,258
Total Current liabilities		21,00,60,616	5,24,21,763
Total liabilities		25,27,18,478	5,24,21,763
Total Equity and liabilities		56,44,16,529	31,33,36,277
Corporate information and significant accounting policies	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

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
May 20, 2019

DANLAW TECHNOLOGIES INDIA LIMITED
Consolidated Statement of Profit and Loss for the period ended March 31, 2019

Particulars	Notes	As at March 31, 2019	As at March 31, 2018
INCOME			
Revenue from operations	18	54,86,20,823	19,58,06,696
Other income (net)	19	69,64,144	72,84,585
Total income		55,55,84,967	20,30,91,281
EXPENSES			
Cost of materials consumed	21	28,60,68,878	6,26,48,299
Purchases of stock-in-trade		14,06,326	56,27,076
Changes in inventories of finished goods and work-in-progress	22	85,45,979	10,78,836
Employee benefits expense	20 & 26	17,60,07,906	8,61,26,711
Finance costs	23	2,06,763	62,813
Depreciation and amortisation expense	24	1,12,24,301	18,74,760
Other operating expenses	25	8,35,35,981	2,56,16,525
Total expenses		56,69,96,134	18,30,35,020
Profit before tax		(1,14,11,167)	2,00,56,261
Tax expense			
Current tax	15	14,45,735	43,65,648
Deferred tax	15	(81,30,834)	13,32,739
Prior period tax	15	43,86,016	-
Total tax expense		(22,99,083)	56,98,387
Profit for the year		(91,12,084)	1,43,57,874
Other comprehensive income			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		(4,94,135)	3,69,674
(b) Income tax relating to items that will not be reclassified to profit or loss		1,28,475	(1,01,854)
B Items that may be reclassified to profit or loss			
(a) Exchange differences in translating the financial statements of foreign operations		47,61,282	(5,63,922)
Total other comprehensive income /(Losses)		43,95,622	(2,96,102)
Total comprehensive income for the year		(47,16,462)	1,40,61,772
Profit for the year attributable to:			
- Owners of the Company		(48,71,322)	1,43,57,874
- Non controlling interests		(42,40,762)	-
		(91,12,084)	1,43,57,874
Other comprehensive income for the year attributable to:			
- Owners of the Company		45,02,700	(2,96,102)
- Non controlling interests		(1,07,078)	-
		43,95,622	(2,96,102)
Total comprehensive income for the year attributable to:			
- Owners of the Company		(3,68,622)	1,40,61,772
- Non controlling interests		(43,47,840)	-
		(47,16,462)	1,40,61,772
Earnings per equity share (Equity shares, par value of Rs. 10 each)			
Basic (Rs.)	29	(1.31)	3.87
Diluted (Rs.)		(1.31)	3.86
Corporate information and significant accounting policies			
The accompanying notes form an integral part of the statements	1 & 2 3-29		

As per our report attached

for 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

A V R K VARMA
Chief Financial Officer

Gaurav Padmawar
Company Secretary
Membership No: ACS 44421

Hyderabad
May 20, 2019

DANLAW TECHNOLOGIES INDIA LIMITED
Consolidated Statement of changes in equity for the year ended March 31, 2019

a. Equity

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

b. Other Equity

Particulars	Attributable to Equity shareholders of Parent Company						
	Reserves and Surplus			Items of OCI			
	Securities premium reserve	Foreign Currency Translation Reserve	Retained Earnings	Other items of other comprehensive income	Total other Equity	Non Controlling Interest	Total
Balance at March 31, 2017	26,58,07,400	55,00,194	(6,02,58,604)	(5,66,598)	21,04,82,392	-	21,04,82,392
Exchange difference arising on translating the foreign operation		(5,63,922)			(5,63,922)		(5,63,922)
Remeasurement of net defined benefit liability /asset, net of tax effect (refer note **)				2,67,820	2,67,820		2,67,820
Used for Buyback of shares	(7,04,550)		1,43,57,874		1,36,53,324		1,36,53,324
Profit for the year					-		-
Balance at March 31, 2018	26,51,02,850	49,36,272	(4,59,00,730)	(2,98,778)	22,38,39,614	-	22,38,39,614
Through acquisitions						3,92,70,594	3,92,70,594
Exchange difference arising on translating the foreign operation		47,61,282			47,61,282		47,61,282
Remeasurement of net defined benefit liability /asset, net of tax effect (refer note **)				(2,58,582)	(2,58,582)	(1,07,078)	(3,65,660)
Profit for the year			(48,71,322)		(48,71,322)	(42,40,762)	(91,12,084)
Adj / profit on sale on shares in subsidiary			7,20,375		7,20,375		
Balance at March 31, 2019	26,51,02,850	96,97,554	(5,00,51,677)	(5,57,360)	22,41,91,367	3,49,22,754	25,83,93,746

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

A V R K VARMA

Chief Financial Officer

Gaurav Padmawar

Company Secretary

Membership No: ACS 44421

Hyderabad

May 20, 2019

DANLAW TECHNOLOGIES INDIA LIMITED
Consolidated Statement of Cash Flows

Particulars	As at		As at	
	March 31, 2019		March 31, 2018	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax	(1,19,05,302)		2,00,56,261	
Adjustments for :				
Depreciation and amortisation expense	1,12,24,301		18,74,760	
Operating profit before working capital changes		(6,81,001)		2,19,31,021
Changes in working capital:				
Adjustments for (increase) / decrease in operating assets:				
Trade receivables	5,24,65,650		(8,80,96,728)	
Other financial assets	81,41,430		4,21,325	
Inventories	(2,45,68,417)		(1,36,21,402)	
Other assets	(65,24,711)		17,00,560	
Adjustments for increase / (decrease) in operating liabilities:				
Trade payables	7,02,35,848		4,12,81,119	
Other financial liabilities	(15,08,969)		1,48,662	
Other liabilities	2,14,33,941		(8,13,646)	
Provisions	37,35,895		1,68,126	
Cash generated from operations		12,27,29,666		(3,68,80,963)
Net income tax paid		(58,31,751)		(43,65,648)
Net cash flow from operating activities (A)		11,68,97,915		(4,12,46,611)
B. CASH FLOW FROM INVESTING ACTIVITIES				
"Capital expenditure on fixed assets, including capital advances "	(2,04,95,084)		(39,63,709)	
Proceeds from sale of fixed assets	35,65,138		-	
Purchase of long-term investments				
- Carried at fair value through OCI	(12,95,00,000)		-	
Loans given				
- Associates	22,24,760		(4,50,17,626)	
Buyback of Equity Shares	-		(8,32,650)	
Cash & cash equivalent on account of Acquisitions	29,00,000		-	
Net cash (used in) / flow from investing activities (B)		(14,13,05,186)		(4,98,13,985)
Net (decrease) in Cash and cash equivalents (A+B+C)		(2,44,07,271)		(9,10,60,596)
Cash and cash equivalents at the beginning of the year		8,83,34,550		17,99,59,068
Effect of exchange differences on translation of foreign		47,61,282		(5,63,922)
Cash and cash equivalents at the end of the year		6,86,88,561		8,83,34,550
(Refer Note (i) below)				

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

A V R K VARMA

Chief Financial Officer

Gaurav Padmawar

Company Secretary

Membership No: ACS 44421

Hyderabad

May 20, 2019

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

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

Description of Assets	Freehold land	Buildings	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
I. Cost or deemed cost										
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
Additions	-	-	-	12,31,049	1,37,91,955	3,42,791	5,84,380	3,78,482	13,71,643	1,77,00,300
Disposals	-	-	-	-	(2,04,34,222)	(4,87,244)	(1,25,511)	-	-	(2,10,46,977)
Additions through business combination	-	4,60,71,664	-	-	18,64,46,589	65,01,648	36,84,982	-	23,14,587	24,50,19,470
Balance as at March 31, 2019	-	4,60,71,664	14,84,850	85,35,853	18,29,65,825	71,09,522	1,29,21,406	31,57,424	82,30,951	27,04,77,495
II. Accumulated depreciation										
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
Depreciation expense for the year	-	15,39,257	49,446	13,84,267	65,47,459	2,64,214	2,40,523	1,06,822	6,78,444	1,08,10,432
Acquisitions through business combinations	-	1,87,10,420	-	-	10,93,27,256	55,92,435	25,17,942	-	16,51,741	13,77,99,794
Eliminated on disposal of assets	-	-	-	-	(1,69,88,804)	(435,161)	(41,635)	-	-	(1,74,65,600)
Balance as at March 31, 2019	-	2,02,49,677	5,97,023	54,99,800	10,01,96,378	57,67,666	1,10,12,799	23,13,957	56,76,427	15,13,13,727
III. Carrying Amount										
Description of Assets	Freehold land	Buildings	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
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	-	-	-	2,590,254	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
Additions	-	-	-	12,31,049	1,37,91,955	3,42,791	5,84,380	3,78,482	13,71,643	1,77,00,300
Disposals	-	-	-	-	(34,45,418)	(52,083)	(83,876)	-	-	(35,81,377)
Acquisitions through business combination	-	2,73,61,244	-	-	7,71,19,333	9,09,213	11,67,040	-	6,62,846	10,72,19,676
Depreciation expense	-	(15,39,257)	(49,446)	(13,84,267)	(65,47,459)	(2,64,214)	(2,40,523)	(1,06,822)	(6,78,444)	(1,08,10,432)
Balance as at March 31, 2019	-	2,58,21,987	8,87,827	30,36,053	8,27,69,447	13,41,856	19,08,607	8,43,467	25,54,524	11,91,63,768

3. Capital work-in progress

Particulars	As at	
	March 31, 2019	March 31, 2018
Capital work-in progress	5,99,839	-
	5,99,839	-

4. Other intangible assets	
Description of Assets	Computer software
I. Cost or deemed cost	
Balance as at March 31, 2017	28,05,300
Additions	2,72,400
Balance as at March 31, 2018	30,77,700
Additions	27,94,784
Balance as at March 31, 2019	58,72,484
II. Accumulated depreciation and impairment	
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
Amortisation expense for the year	4,13,870
Balance as at March 31, 2019	31,23,066
III. Carrying Amount	
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
Additions	27,94,784
Depreciation expense	4,13,870
Balance as at March 31, 2019	27,49,418

5. Goodwill

Particulars	As at	
	March 31, 2019	March 31, 2018
Goodwill on acquisition of Titan Time Products Ltd (name changed to Danlaw Electronics Assembly Ltd post acquisition)	24,01,207	-
	24,01,207	-

6. Other financial assets (carried at amortised cost)

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Bank Deposits		
Security deposits		
- Secured, considered good		
- Unsecured, considered good	46,23,800	15,90,262
Total non-current other financial assets	46,23,800	15,90,262
Current		
Interest accrued on deposits	9,83,135	15,56,667
Security deposits	1,59,878	1,99,744
Total current other financial assets	11,43,013	17,56,411
Total other financial assets	57,66,813	33,46,673

7. Other assets

Particulars	As at March 31, 2019	As at March 31, 2018
Non-current		
Prepaid expenses	44,28,293	38,147
Total non-current assets	44,28,293	38,147
Current:		
Prepaid expenses	65,47,723	6,40,082
Balance with government authority	43,54,940	19,80,212
Advances recoverable in cash or kind -Current	2,22,67,598	13,51,034
Total current assets	3,31,70,261	39,71,328
Total other assets	3,75,98,554	40,09,475

8. Inventories

Particulars	As at March 31, 2019	As at March 31, 2018
Current		
Inventories (lower of cost and net realisable value)		
Raw materials	9,44,17,641	1,61,96,720
Work-in-progress	14,31,253	-
Finished goods	57,87,506	22,71,263
Total	10,16,36,400	1,84,67,983

9. Trade receivables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade receivables - Current		
Unsecured, considered good Doubtful	15,62,02,857	14,13,21,248
Less: Allowance for doubtful debts (expected credit loss allowance)	2,47,259	-
Total	15,59,55,598	14,13,21,248

10: Cash and Bank Balances

Particulars	As at March 31, 2019	As at March 31, 2018
Balances with Banks in current accounts	3,59,34,593	81,43,418
in deposit accounts	3,27,19,976	8,01,70,169
Cash on hand	33,992	20,963
Total Cash and cash equivalents	6,86,88,561	8,83,34,550
Cash and cash equivalents as per Statement of Cash flows	6,86,88,561	8,83,34,550

11. Loans

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Loans to related parties		
- Unsecured, considered good	-	-
Loans to employees	9,06,014	
Total Non current Loans	9,06,014	-
Current		
Loans to employees		
- Unsecured, considered good	7,32,416	-
- Loan to associates	4,27,92,866	4,50,17,626
Total current loans	4,35,25,282	4,50,17,626
Total	4,44,31,296	4,50,17,626

12. Equity share capital

Particulars	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
5000000 fully paid up equity shares of `10 each	5,00,00,000	5,00,00,000
Issued and subscribed capital:		
Issued Equity Share capital	3,70,74,900	3,70,74,900
Total	3,70,74,900	3,70,74,900

Notes:

(A) Reconciliation of the number of shares outstanding:

Particulars	Number of shares	Amount
Balance at March 31, 2017	37,20,300	3,72,03,000
Buyback of shares	(12,810)	(1,28,100)
Balance at March 31, 2018	37,07,490	3,70,74,900
Buyback of shares	-	-
Balance at March 31, 2019	37,07,490	3,70,74,900

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, 2019		As at March 31, 2018	
	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	39.29%	14,61,592	39.29%

12.1. Other equity excluding non-controlling interests

Particulars	As at March 31, 2019	As at March 31, 2018
General reserve		
Securities premium account	26,51,02,850	26,51,02,850
Foreign currency translation reserve	96,97,554	49,36,272
Retained earnings	(5,06,09,038)	(4,61,99,508)
Balance at end of year	22,41,91,367	22,38,39,614

12.2 Securities premium reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	26,51,02,850	26,58,07,400
Used for Buybak of shares		(7,04,550)
Balance at end of year	26,51,02,850	26,51,02,850

12.3 Foreign currency translation reserve

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	49,36,272	55,00,194
Exchange difference arising on translating the foreign operations	47,61,282	(5,63,922)
Balance at end of year	96,97,554	49,36,272

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.47,61,282) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve (in respect of translating both the net assets of foreign operations and hedges of foreign operations) are reclassified to profit or loss on the disposal of the foreign operation.

12.4 Retained earnings

Particulars	As at March 31, 2019	As at March 31, 2018
Balance at beginning of year	(4,61,99,508)	(6,08,25,201)
Profit attributable to owners of the Company	(48,71,322)	1,43,57,873
Remeasurements of the defined benefit plans	(2,58,582)	2,67,820
Adj/Profit on sale of shares in subsidiary	7,20,375	
Dividend		
Less : Payment on dividend on equity shares		
Tax on dividend		
Balance at end of year	(5,06,09,038)	(4,61,99,508)

13. Other financial liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Security deposits	23,68,512	
Total	23,68,512	-
Current		
(i) Others	14,69,553	2,47,034
Total	14,69,553	2,47,034

14. Provisions

Particulars	As at March 31, 2019	As at March 31, 2018
Provisions		
Employee benefits	39,73,385	17,27,352
Current	39,73,385	17,27,352
Current	39,73,385	17,27,352
Non - Current	3,73,89,862	
Total	4,13,63,247	17,27,352

15. Income taxes

15.1 Deferred tax balance

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax assets	2,96,61,161	20,19,186
Deferred tax liabilities	85,86,922	3,03,256
Total	2,10,74,239	17,15,930

2018-19	Opening Balance	Acquisition	Recognised in profit or loss	Closing balance'
Deferred tax (liabilities)/assets in relation to				
Cost & Estimated Earnings in Excess of Billings				
Depreciation & Amortization	28,647	(9085000)	4,69,431	(85,86,922)
Employee benefit expense OCI	(1,66,804)	0	1,28,475	(38,329)
MAT Credit	18,23,735	3940000	14,01,770	71,65,505
Others	30,352	16244000	62,59,633	2,25,33,985
Total	17,15,930	1,10,99,000	82,59,309	2,10,74,239

15.2. Tax assets and liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Tax assets		
Non Current tax assets	43,50,836	21,18,687
Current tax liabilities		
Income tax payable	8,11,195	35,95,098
Total Current tax liabilities	8,11,195	35,95,098

15.3 - Tax Expense

a) Recognised in statement of profit and loss

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax		
In respect of the current year	14,45,735	43,65,648
In respect of prior years	43,86,016	-
	58,31,751	43,65,648
Deferred tax		
In respect of the current year	(81,30,834)	13,32,739
	(81,30,834)	13,32,739

b) Recognised in Other comprehensive Income

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Deferred tax		
In respect of the current year	(1,28,475)	1,01,854
	(1,28,475)	1,01,854

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Profit before tax from continuing operations	(1,19,05,302)	1,47,27,548
Income tax expense calculated	14,45,735	35,95,098
Depreciation adjustment	(56,45,600)	69,460
Expenses (disallowed) /allowed under Income Tax Act	(1,32,66,581)	1,75,450
Set off of losses	-	(54,42,747)
Taxable Income	(3,08,17,483)	95,29,711
Tax Rate		37.73%

16. Other liabilities

Particulars	As at March 31, 2019	As at March 31, 2018
Non - Current		
Revenue received in advance	28,99,488	-
Total	28,99,488	-
Current		
Advance from customers	4,61,69,445	3,78,989
Statutory remittances	32,19,284	29,68,701
Others (describe)	7,08,885	9,31,568
Total	5,00,97,614	42,79,258

17. Trade Payables

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Payables - Current		
Dues to micro enterprises and small enterprises	22,54,736	-
Dues to creditors other than micro enterprises and small enterprises	15,14,54,133	4,25,73,021
Total	15,37,08,869	4,25,73,021

18. Revenue from operations

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of services	10,80,78,121	10,85,94,171
Sale of products	44,05,42,702	8,72,12,525
Total	54,86,20,823	19,58,06,696

19. Other income (net)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest income on financial assets carried at amortised cost		
Bank deposits	33,59,825	55,30,671
Interest income from related parties	-	1,34,022
Others	1,30,043	86,569
	34,89,868	57,51,262
Other non-operating income		
Miscellaneous income (net)	1,44,198	-
	1,44,198	-
Other gains and losses		
Net foreign exchange gain	33,30,078	15,33,323
Gain on disposal of property, plant and equipment	-	-
	33,30,078	15,33,323
Total	69,64,144	72,84,585

20. Employee Benefits Expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries and wages, including bonus	14,98,74,267	7,61,62,303
Contribution to provident and other funds	1,37,91,823	61,90,658
Staff welfare expenses	1,23,41,816	37,73,750
Total	17,60,07,906	8,61,26,711

21. Cost of materials consumed

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Opening stock	1,61,96,720	9,52,926
(b) Add: Purchases	36,42,57,550	7,78,92,093
(c) Less: Closing stock	9,43,85,392	1,61,96,720
	28,60,68,878	6,26,48,299

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

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Opening Stock :		
Finished goods	1,57,64,738	33,50,099
Work-in-progress	-	-
	1,57,64,738	33,50,099
Closing Stock :		
Finished goods	72,18,759	22,71,263
Work-in-progress	-	-
	72,18,759	22,71,263
Net (increase) / decrease	85,45,979	10,78,836

23. Finance costs

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest expense		
- Interest security deposit Ind AS	37,677	17,155
- Other interest expense	1,69,086	45,658
Total	2,06,763	62,813

24. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation of property, plant and equipment	1,09,02,767	15,53,226
Amortisation of intangible assets	3,21,534	3,21,534
Total	1,12,24,301	18,74,760

25. Other operating expenses

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Rent including lease rentals (Refer Note (i) below)		98,77,777		69,84,118
Rates and taxes		15,36,083		10,23,136
Insurance		4,79,999		2,51,606
Stores and spares consumed		93,39,967		-
Freight Outwards		14,88,062		3,77,606
Travelling and conveyance		94,31,035		42,59,723
Sub-contracting charges		21,72,037		15,13,644
Communication		9,75,275		5,86,170
Printing and stationery		8,04,259		3,80,360
Power and fuel		66,35,766		13,56,381
Marketing and advertising expenses		1,30,15,212		82,009
Repairs and maintenance				
- Buildings		22,07,514		4,53,361
- Machinery		49,33,446		7,93,847
- Security		35,15,674		3,12,000
- House Keeping		15,57,425		4,30,519
- Vehicles		4,08,190		2,78,105
- Office Maintenance		18,11,431		4,60,309
Directors Remuneration				
- Directors sitting fees	3,80,000	3,80,000	4,50,000	4,50,000
Trade receivables written off (net)	15,82,569		74,136	
Less: Reversal of provision for doubtful debts	-	15,82,569	-	74,136
Auditors' remuneration (Refer Note (ii) below)		11,02,492		5,29,783
Recruitment expenses		4,50,776		82,140
Foreign exchange loss		3,43,435		-
Depository Registrar Fee		2,41,240		6,39,576
Listing Fee		2,30,000		4,86,000
Registration/Licences/Filing fee		24,82,670		7,32,353
Professional Fee		43,04,571		22,53,385
Donations		25,000		-
Bank charges		18,11,230		1,67,294
Miscellaneous expenses		3,92,846		6,58,963
Total		8,35,35,981		2,56,16,524

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

Particulars	For the year ended March 31, 2019		For the year ended March 31, 2018	
Company				
For statutory audit		2,00,000		1,80,000
For other services		3,21,191		3,43,383
Reimbursement of expenses		6,200		6,400
Subsidiaries				
For statutory audit		5,75,101		
Total Auditors' remuneration		11,02,492		5,29,783

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, 2019	For the year ended March 31, 2018
Salary	18,00,000	18,00,000
Contribution to PF	2,16,000	2,16,000
Medical	16,008	9,617
Total	20,32,008	20,25,617

27. Contingent Liabilities :

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

Related Party Transaction	Relation	Transactions for the year ended March 31		Balance as at March 31	
		2019	2018	2019	2018
Sales & Services					
Danlaw Inc	Associate	10,13,24,033	8,29,46,498	(59,58,108)	6,61,79,183
Purchases					
Danlaw Inc	Associate	1,08,70,109	78,81,194	1,06,82,146	80,20,662
Danlaw Electronics Assembly Ltd	Subsidiary	37,03,541	-	19,27,570	
Remuneration					
Raju S Dandu	KMP MD/Chairman	20,32,008	20,25,617	-	-
Lease Rentals					
D Lakshmi	Relative of KMP - MD	32,88,480	31,31,885	-	-
DSN Raju	Relative of KMP - MD	32,88,480	31,31,885	-	-
Loans					
Danlaw Inc	Associate	6,53,007	4,50,17,626	4,27,92,866	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, 2019	For the year ended March 31, 2018
Profit after tax	(48,71,322)	1,43,57,874
Basic:		
Number of shares outstanding at the year end	37,07,490	37,07,490
Earnings per share (₹)	(1.31)	3.87
Diluted:		
Effect of potential equity shares on employee stock options outstanding		
Weighted average number of equity shares outstanding	37,07,490	37,17,282
Earnings per share (₹)	(1.31)	3.86

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,	
		2019	2018	2019	2018
Assets:					
Non-Current					
Other Financial Assets	3	46,23,800	15,90,262	46,23,800	15,90,262
Current					
Trade receivables	3	15,59,55,598	14,13,21,248	15,59,55,598	14,13,21,248
Cash and cash equivalents	3	6,86,88,561	8,83,34,550	6,86,88,561	8,83,34,550
Other financial assets	3	11,43,013	17,56,411	11,43,013	17,56,411
Total		23,04,10,972	23,30,02,411	23,04,10,972	23,30,02,471
Liabilities:					
Current					
Trade payables	3	15,37,08,869	4,25,73,021	15,37,08,869	4,25,73,021
Total	3	15,37,08,869	4,25,73,021	15,37,08,869	4,25,73,021

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 for information on how the Company adopted Ind AS.

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

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

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

b. Current versus non-current classification

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

An asset is treated as current when it is:

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

All other assets are classified as non-current.

A liability is current when :

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

The Company classifies all other liabilities as non-current.

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

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

c. Business combinations and goodwill

Business combinations other than business combinations under common control are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the

consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

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

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

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

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

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

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

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

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

d. Foreign currencies

Transactions and balances

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

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

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

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

e. Fair value measurement

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

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

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

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

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

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

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

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

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

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

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

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

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

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

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

f. Revenue recognition

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

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

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

i) Sale of goods

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

ii) Rendering of services

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

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

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

iii) Interest income

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

iv) Dividends

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

g. Government grants

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

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

h. Taxes

i) Current income tax

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

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

ii) Deferred tax

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

Deferred tax liabilities are recognised for all taxable temporary differences.

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

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

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

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

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

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

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

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

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

- ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- ▶ When receivables and payables are stated with the amount of tax included The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

I. Property, plant and equipment

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

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

- ▶ Building 30 years
- ▶ Computers 3 years
- ▶ Computer servers 6 years

- ▶ Lab and electrical equipment 10 years
- ▶ Office equipment 5 years
- ▶ Furniture & Fixtures 10 years
- ▶ Vehicles 8 years

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

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

j. Intangible assets

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

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

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

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

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

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

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

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period

in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

l. Leases

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

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

i) Company as a lessee

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

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

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

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

m. Inventories

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

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

- ▶ Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- ▶ Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.

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

n. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its

value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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

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

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

o. Cash and cash equivalents

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

p. Provisions

I) General

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

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

q. Employee benefits

i) Short-term employee benefit obligations

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

ii) Other long-term employee benefit obligations

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

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

iii) Post employment benefits

Defined Contribution plan

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

extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Defined benefit plan

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

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

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

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

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

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

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

iv) Termination benefits

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

r. Contributed equity

Equity shares are classified as equity.

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

s. Dividends

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

t. Earnings per share

- i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

ii) Diluted earnings per share

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

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

u. Financial instruments

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

i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Debt instruments at amortised cost

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

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

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

Debt instrument at FVTOCI

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

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

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

Debt instrument at FVTPL

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

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

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

Equity investments

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

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

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

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

Derecognition

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

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

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

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

ii) Financial liabilities

Initial recognition and measurement

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

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

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

Loans and borrowings

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

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

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

Derecognition

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

Reclassification of financial assets

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

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

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.

FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

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

Derivatives that are not designated as hedges

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

3. Critical estimates and judgements

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

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

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable.
- 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 26th Annual General Meeting of the Company being held on 30th September 2019 at 10.00 a.m. at its registered office.

Members Folio / DP ID-Client ID No.

Member's/Proxy's name in Block Letters

Signature of Member/ Proxy

Regd.folio/*Client ID :

*Applicable for members holding shares in electronic form.

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



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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 26th Annual General Meeting of the company, to be held on the 30th day of September, 2019 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 Statutory Auditors of the Company		
3.	To Re-appoint Mr. Raju S Dandu as Director of the Company		
Special Business			
4.	To appoint Mr. Sirish Batchu as Non-Executive Independent Director of the Company.		
5.	To Re-appoint Mr.Naga Satyanarayana as Independent Director of the Company		
6.	To Re-appoint Mr.Ravi Kumar Tamma as Independent Director of the Company		
7.	To Re-appoint Mr.K.N. Praveen Kumar as Independent Director of the Company		

Signed thisday of2019

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