

# Annual Report 2000 - 2001

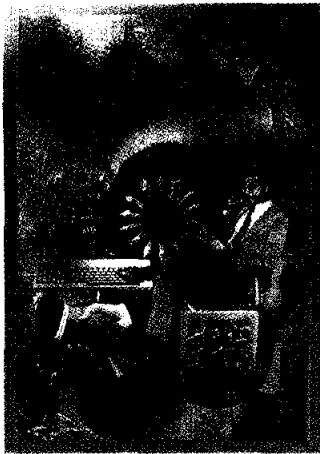
Success through convergence



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**DANLAW**

TECHNOLOGIES  
INDIA LIMITED



## VISION

**DANLAW envisions to be :**

- ✦ **A preferred employer of knowledge professionals**
- ✦ **A preferred technology solutions partner for its customers**
- ✦ **A product company that pioneers innovation in high technology**

## MISSION

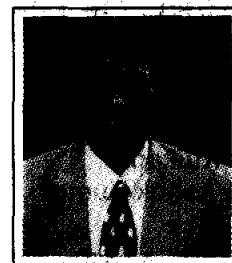
- ✦ **Provide customized products in automotive electronics and other manufacturing areas**
- ✦ **Provide exceptional professional services, deliver quality products in Internet technologies**
- ✦ **Achieve highest degree of customer and shareholder satisfaction through quality services**



**Quality is something, which, if a true and united effort is made, is never out of reach - yet it will stretch the reach of anyone wise enough to seek it. Quality is not simply DTIL core strength; it is an expression of our corporate culture and values. Our goal is to achieve the highest degree of Customer satisfaction.**

- ✦ **DTIL conducts its business with total commitment to its Customers and their quality standard requirements.**
- ✦ **We define Customer as both internal and external.**
- ✦ **We anticipate, understand and excel at meeting Customer expectations.**
- ✦ **Continuous improvement and innovation is part of our every day and every job - through training, use of team participation and monitoring the key metrics.**
- ✦ **Management is totally committed to achieve the best quality system, by providing the necessary resources, setting the short term and long term goals and quality objectives and periodic management reviews.**

## FROM THE CHAIRMAN'S DESK



*Dear Shareholders*

*DANLAW has completed its first full year of operations during this year under the new management. We could attract high quality people to make the DANLAW vision to come true. All the functional heads could be kept in place and highly talented engineers and IT professionals have been attracted to increase the delivery capability of the Company.*

*A Representative Office was opened at Detroit, USA to develop long-term strategic relations exclusively with the clients at USA.*

*To serve customers, we depend on the impeccable integrity and commitment of our work force. In the software business, success depends upon developing strong teams with bright, young and enthusiastic professionals and retaining them for long term. We strive for developing DANLAW as a preferred working place to young and dynamic work force and think tanks by providing a cozy office atmosphere, the opportunities in terms of gaining experience through continuous training for all, the personal growth potential, the individual sense of satisfaction, the belongingness, participative and encouraging management, recreation facilities along with various staff welfare measures etc. DANLAW puts in constant efforts to create a feeling of "Preferred Employer" amongst its staff by keeping the morale on high pedestal through pay, projects and policies.*

*DANLAW upholds the business values. We are committed to maintain a high degree of transparency and openness in all our activities and deeds. We are in the process of imbibing the best international practices of corporate governance to be recognized as one of the wealth creators of this country. We, at DANLAW, do not work for short-term gains by jeopardizing the values and ethics. We take great care to maintain the delivery schedules, promised quality standards and customer satisfaction.*

*We, at DANLAW, believe in constantly delighting the customer by providing excellent services. DANLAW realizes that the success of the business lies in developing long-term relations with the strategic partners to sail through the rough waters of the market. In this direction, we have commenced our Representative Office at USA with an objective of acquiring the knowledge of our clients' needs and translate the same into development of competencies in-house. "Integrating and converging our competencies to provide high quality services to our clients" is considered as the market model for DANLAW. We believe in growing along with our strategic partners by providing the superior quality solutions and thereby earning the repeat orders year after year.*

*The core competency of DANLAW is Automotive Electronics and other manufacturing areas. The pace of technological advancement in these areas is enormous. DANLAW is striving hard to constantly upgrade itself to adapt to the latest technological innovations by developing strong teams in those areas.*

*DTIL has also launched a major DSP (Digital Signal Processing) initiative to develop voice over Internet solutions as well as integrated measurement and communication solutions in energy meters.*

*The IT Industry has made big strides. The IT Division of Danlaw is watchful and fully geared up to capture the innumerable new business opportunities emerging. The IT Division provides exceptional professional services; deliver quality products in Internet Technologies.*

*As a strong believer that the success of any business depends purely on the hard work and commitment of the people and patronage from our customers, I personally bow my head for their sparkling achievements, unwavering struggle and unstinted support.*

**Raju S Dandu**  
**Chairman and Managing Director**



## BOARD OF DIRECTORS

<b>Raju S Dandu</b>	Chairman & Managing Director
<b>D S N Raju</b>	Executive Director
<b>Lloyd R Lawrence</b>	Director
<b>P B Kulkarni</b>	Director
<b>M A Ashok Kumar</b>	Alternate Director to Lloyd R Lawrence

## CORE MANAGEMENT TEAM

<b>Dr. D V R Seshadri</b>	President & COO
<b>B V Ramana</b>	Executive Vice President (Engg.)
<b>Prakash B Kulkarni</b>	Executive Vice President IT
<b>Phani Tetali</b>	Vice President & CTO
<b>Dr. R K Raina</b>	Advisor (Engg.)
<b>Gary D Johnson</b>	Vice President (Business Development & Strategic Planning)
<b>Tim Morris</b>	Manager (US Sales)
<b>Dr. Y V Subrahmanyam</b>	General Manager (HR)
<b>V R K Chary</b>	General Manager (Finance)
<b>Anand Penumetcha</b>	General Manager (Business Development)
<b>D Seshagiri</b>	Sr Manager (Business Development)
<b>A S Alahasingar</b>	Manager (Engg.)
<b>B S Bhaskar</b>	Company Secretary

## AUDITORS

M/s. A M Reddy & Co.  
Chartered Accountants  
10-5-6/A, "My Home Plaza"  
Off: 103, II Floor, Masab Tank  
HYDERABAD – 500 028

## DEPOSITORY TRANSFER AGENTS

M/s. Sathguru Management Consultants Pvt. Ltd.  
Plot No.: 15, Hindi Nagar, Punjagutta  
HYDERABAD – 500 082

## BANKERS

HSBC  
HDFC Bank  
Citi Bank, N.A.  
ICICI Bank Ltd.  
Global Trust Bank Ltd.  
Union Bank of India

## REGISTERED OFFICE

**DANLAW TECHNOLOGIES INDIA LTD.**  
43, Sagar Society Road No. 2, Banjara Hills,  
HYDERABAD – 500 034

## US OFFICE

23700, Research Drive  
Farmington Hills, MI 48335 – 2624  
USA

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<b>PROXY</b>	





## NOTICE

Notice is hereby given that the 8<sup>th</sup> Annual General Meeting of the Members of the Company will be held on, the July 28, 2001 at 3.00 A.M. at the Regd. Office of the Company at 43, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500 034, to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2001 and the Profit and Loss Account for the year ended March 31, 2001 along with the Auditors Report and the Directors Report thereon.
2. To appoint a Director in place of Mr. D S N Raju, who retires by rotation and being eligible offers himself for reappointment and on such reappointment he shall continue as the Executive Director of the Company.
3. To appoint Statutory Auditors of the Company to hold office from the conclusion of this 8<sup>th</sup> Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### SPECIAL BUSINESS

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

"Resolved that Mr. P B Kulkarni, a director who was appointed as an Additional Director by the Board of Directors and who holds office as such up to the date of Eighth Annual General Meeting and in respect of whom notice under Section 257 of the Companies Act, 1956 was received in writing proposing him as a candidate for the office of Director of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"Resolved that Mr. Raju S Dandu, Director be and is hereby appointed, subject to the approval of the Central Government, as the Chairman and Managing Director of the Company for a term of five years w.e.f. April 1, 2001 at a remuneration of Basic pay of Rs.60, 000/- per month with all other benefits, perquisites and other allowances as permitted by the Companies Act, 1956, within the rules of the Company as applicable from time to time."

"Resolved further that the Chairman and Managing Director shall be paid a commission up to a maximum of 2% on Net Profits as computed u/s 349 and 350, the actual amount of which will be determined by the Board of Directors from time to time, subject to the over all ceiling of Managerial Remuneration as prescribed in the Companies Act, 1956."

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

"Resolved further that the Board is authorized to revise the gross salary of the Chairman and Managing Director by a maximum of 50% per annum."

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

"Resolved that Mr. D S N Raju, Director be and is hereby appointed as the Executive Director of the Company for a term of five year w.e.f. April 1, 2001 at a remuneration of Basic pay of Rs. 30, 000/- per month with all other benefits, perquisites and other allowances as permitted by the Companies Act, 1956, within the rules of the Company as applicable from time to time."

"Resolved further that the Executive Director shall be paid a commission up to a maximum of 2% on Net Profits as computed u/s 349 and 350, the actual amount of which will be determined by the Board of Directors from time to time, subject to the over all ceiling of Managerial Remuneration as prescribed in the Companies Act, 1956."

"Resolved further that notwithstanding anything specified above, where in any financial year, during the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to Mr. D S N Raju by way of salary, perquisites and allowances as mentioned above."

"Resolved further that the Board is authorized to revise the gross salary of the Executive Director by a maximum of 50% per annum."

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

"RESOLVED that as required by Schedule 3 (1) (iv) read with Regulation 5(3)(i) of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000 vide Notification No. GSR 406 (E), dated 3-5-2000 notified by Reserve Bank of India under the powers granted to it by the Foreign Exchange and Management Act, 1999, the consent of the members of the Company be and is hereby accorded to increase the percentage of holding of equity shares of the Company by NRIs and OCBs to 15% of the paid up equity share capital of the Company at any point of time."

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

"Resolved that pursuant to Section 31 and other applicable provisions of the Companies Act, 1956, Article 55 of the Articles of Association of the Company be substituted in the manner as follows"

"Subject to the provisions of the Act, the Board of Directors shall have power to appoint from time to time one or more of their body to the office of the Managing Director and/or Joint Managing Director and/or Executive Director and /or Whole time Director on such terms and conditions as the Directors may think fit, for such period not exceeding five years at a time. A Director so appointed, as Chairman and/or Managing Director shall not be, whilst holding that office, subject to retirement by rotation. All other directors in whole time employment, whatsoever their designation may be, shall be subject to retirement by rotation, as required by the provisions of the Companies Act, 1956. The Board may by resolution vest in such Managing Director, Joint Managing Director, Executive Director or Whole time Director such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions, as it may determine. The remuneration of the Managing Director, Joint Managing Director, Executive Director or Whole time Director may be by way of monthly payment, participating in profits or by either or both of these modes or any other mode not expressly prohibited by the Act."

By Order of the Board

Place: Hyderabad  
Date : June 25, 2001

**B S BHASKAR**  
COMPANY SECRETARY

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**NOTES:**

1. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy and such proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
2. Members/proxies should bring duly filled Attendance slips sent herewith for attending the Meeting.
3. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from July 24 to July 28, 2001 (both days inclusive)
5. Members holding shares in electronic form are requested to inform any change in their addresses immediately to their respective Depository Participants.
6. Members seeking any further information on the accounts of the Company should write to the Company atleast ten days before the date of the Meeting, to enable compilation of data.

**EXPLANATORY STATEMENT****Item No.: 4**

Mr. P B Kulkarni was inducted into the Board as an Additional Director of the Company with effect from June 25, 2001, pursuant Section 260 of the Companies Act, 1956. He holds office of director upto the date of the ensuing Eighth Annual General Meeting. The Company has received notice in writing from a member alongwith a deposit of Rs.500/- proposing the candidature of Mr. P B Kulkarni for the office of Director under the provisions of Section 257 of the Act. Additional information on Mr. P B Kulkarni is annexed to Directors' Report.

The Board of Directors recommends the resolution. None of the directors of the Company except Mr. P B Kulkarni is concerned or interested in the resolution.

**Item No.: 5**

The Board of Directors at their meeting held on April 14, 2001 appointed Mr. Raju S Dandu as the Chairman & Managing Director of the Company for a term of five years, subject to the approval of the members of the Company and the Central Government.

The remuneration proposed to be paid to Mr. Raju S Dandu, Chairman & Managing Director is as described below:

1. Basic Salary Rs. 60,000/- per month
2. Dearness Allowance – 50% of basic salary
3. CCA – 15% of basic salary

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

**Category I: Included in the remuneration**

- i) House Maintenance: The expenditure incurred by the Company on gas, electricity, water and furnishings.
- ii) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one-month salary per annum
- iii) Club fee subject to a maximum of two clubs.
- iv) Premium on Personal Accident Insurance Policy, which does not exceed Rs. 5,000/- per month.
- v) The Company will reimburse the wages of one servant at residence
- vi) Children's education allowance up to a maximum of Rs.5, 000 per month per child.


**Category II: Not included in the remuneration**

- i) Contribution to Provident Fund and Annuity Fund are as per the rules of the Company and to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of his tenure
- iv) Leave: As per the rules of the Company
- v) Leave Travel Concession for self and family incurred in accordance with the service rules of the Company.
- vi) Provision of car with driver for use on Company's business
- vii) Telephone at residence
- viii) Cellular phone for self

The Board of Directors recommends the resolution for approval. Mr. Raju S Dandu and Mr. D S N Raju are concerned or interested in the resolution.

**Item No.: 6**

The Board of Directors at their meeting held on April 14, 2001 appointed Mr. D S N Raju as the Executive Director of the Company for a term of five years, subject to the approval of the members of the Company.

The remuneration proposed to be paid to Mr. D S N Raju, Executive Director is as described below:

- 1. Basic Salary Rs. 30,000/- per month
- 2. Dearness Allowance – 50% of basic salary
- 3. CCA – 15% of basic salary

The Executive Director shall also be eligible for the following perquisites:

**Category I: To be included in the remuneration**

- i) Housing: The expenditure by the Company on hiring furnished accommodation
- ii) House Maintenance: The expenditure incurred by the Company on gas, electricity, water and furnishings.
- iii) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one-month salary per annum
- iv) Club fee subject to a maximum of two clubs.
- v) Premium on Personal Accident Insurance Policy, which does not exceed Rs. 5,000/- per month.
- vi) The Company will reimburse the wages of one servant at residence
- vii) Children's education allowance up to a maximum of Rs.5, 000 per month per child.

**Category II: Not included in the remuneration**

- i) Contribution to Provident Fund and Annuity Fund are as per the rules of the Company and to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
- ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- iii) Encashment of Leave at the end of his tenure
- iv) Leave: As per the rules of the Company
- v) Leave Travel Concession for self and family incurred in accordance with the service rules of the Company.
- vi) Provision of car with driver for use on Company's business
- vii) Telephone at residence
- viii) Cellular phone for self