

From the CEO's desk....



Dear Stakeholder,

I am happy to present the performance of your company for Financial Year 2011-2012 along with general industry outlook and future direction of your company.

In the rapidly evolving market our global clients are focused on increasing productivity with a view to increasing their profits. The trend of technology advancement and globalization offers an opportunity to innovate and use technology to improve business performance.

Since much of the outsourcing benefits have been realized, our clients are looking for partners that understand their businesses and challenges. They are looking for industry specific high-value solutions.

The reemergence of US auto industry gives us an opportunity for a strong growth in the upcoming years.

According to BCC marketing reports Telematics industry will experience a strong growth in the upcoming years. The total net market value is projected to reach \$40.3 billion in 2016 at a 5 year CAGR of 20.9%. The hardware and services segments will each grow at a 31.7% compounded annual growth rate. Services have a greater market value worth an estimated \$20 billion in 2016. The government mandates require that the vehicles be equipped to automatically contact emergency services in the event of an accident. This sector alone is expected to reach over \$10 billion by the year 2016.

Your company is well positioned to play a significant role in this exciting global opportunity.

I would like to thank our director, Mr. Prakash Kenjale for his valuable guidance over the past several years. He has expressed his inability to continue as a director due to his personal commitments. The board has accepted his resignation with sincere thanks.

Summary of financial results:

- Total revenue of 1011 lacs as compared to 856 lacs, a year over year growth of 18%
- PBIDT of 60 lacs vs. 46 lacs
- Profit After Tax of 46.47 lacs as compared to a loss of 18.32 lacs during FY 2010-11.
- Danlaw Technologies Inc. our US WOS:
 - o Total revenues of \$1.277 million, an increase of 38%
 - o After Tax Profit of \$100 thousand compared to \$28 thousand last year

The success and growth has been made possible by the passion and dedication of our employees and the diligence and commitment of our leadership team. I congratulate them on another successful year. I thank the Board of Directors for their guidance.

I would like to thank each and every one of our customers, partners and supporters for their continued trust in your company.

Over the last decade, you, our shareholders have supported our strategies and stood by us. We thank each one of you and look forward to your continued support.

Sincerely,
Raju S. Dandu
Chairman & Managing Director

BOARD OF DIRECTORS

Raju S Dandu
Chairman & Managing Director

K. N Praveen Kumar
Director

M A Ashok Kumar
Director

N S Sappata
Director

T Ravi Kumar
Additional Director

MANAGEMENT TEAM

B V Ramana
Chief Operating Officer

G Govardhan Rao
Vice President

Y V Subramanyam
Vice President – ISS Division

E U S Prabhakar
General Manager – ESD

A V R K Varma
General Manager – Finance

REGISTERED OFFICE

Plot No. 43, Sagar Society
Road No.2, Banjara Hills
Hyderabad – 500034
info@danlawinc.com

USA SUBSIDIARY

Danlaw Technologies Inc.
23700, Research Drive
Farmington Hills
MI 48335-2624, USA

AUDITORS

M/s. Ramana Reddy & Associates
Chartered Accountants
10-5-6/B, “My Home Plaza”
Off: 103, II Floor, Masab Tank
Hyderabad – 500028

BANKERS

HDFC Bank Limited
Banjara Hills Branch, Hyderabad
The Dhanalakshmi Bank Limited
Banjara Hills Branch, Hyderabad

**DEPOSITORY REGISTRARS &
SHARE TRANSFER AGENTS**

Karvy Computershare Pvt. Ltd.
Karvy House 46, Avenue 4, Street 1,
Banjara Hills
Hyderabad – 500034
Phones: 040-23312454
E-mail: einward.ris@karvy.com

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NOTICE

Notice is hereby given that the Nineteenth Annual General Meeting of the Company will be held on Tuesday, the 14th day of August 2012 at 10.00 a.m. at the Registered Office of the Company at Plot No. 43, Sagar Society, Road No. 2, Banjara Hills, Hyderabad – 500034, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and the Profit & Loss Statement for the year ended as on that date, along with the Auditors' Report and the Directors' Report thereon.
2. To appoint a director in place of Mr. K.N. Praveen Kumar, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint Statutory Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

SPECIAL BUSINESS

4. Appointment of Mr. T. Ravi Kumar as Director

To consider and, if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. T. Ravi Kumar, who was appointed as an Additional Director with effect from 25.06.2012 and who holds office upto the date this Nineteenth Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of directorship (under Section 257 of the Companies Act, 1956), be and is hereby appointed as Director of the Company whose period of office shall be liable to determination by retirement of directors by rotation."

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

Raju S. Dandu
Managing Director

Place: Hyderabad
Date: June 25, 2012

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. 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 10th August 2012 to 14th August 2012 (both days inclusive).
4. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of special business as set out above is annexed herewith.
5. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 9th August 2012, to facilitate the compilation of data for clarifications.
6. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Electronic) to M/s. Karvy Computershare Private Limited, Karvy House 46, Avenue 4, Street 1, Banjara Hills, Hyderabad – 500034. Phone No.: 040-23312454. E-mail: einward.ris@karvy.com.

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

Raju S. Dandu
Managing Director

Place: Hyderabad
Date: June 25, 2012

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item 4:

Appointment of Mr. T. Ravi Kumar as Director

The Board has appointed Mr. T. Ravi Kumar as an Additional Director with effect from 25.06.2012. He holds office of directorship upto the date of the ensuing Nineteenth Annual General Meeting. The Company received a notice in writing from a member along with a deposit of Rs.5,000/- proposing the candidature of Mr. T. Ravi Kumar for the office of directorship under the provisions of Section 257 of the Companies Act, 1956.

The Board of Directors recommends the resolution for the approval of the Members. None of the Directors of the Company, except Mr. T. Ravi Kumar himself, are considered or interested in the proposed resolution.

Information about Mr. T. Ravi Kumar

Mr. T. Ravi Kumar, B.Sc., LLB, PGDCS, 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 (Credit). He has functional expertise in Credit Card Operation Management and has also conducted inspections of various branches and administrative offices.

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

Raju S. Dandu
Managing Director

Place: Hyderabad
Date: June 25, 2012

DIRECTORS' REPORT

To,
The Members,

Your Directors take pleasure in presenting the 19th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2012.

FINANCIAL PERFORMANCE

Key aspects of your Company's financial performance for the year 2011-12 are tabulated below:

Rs. in Lakhs

Particulars	2011 - 12			2010 - 11		
	DTIL	WOS	CONS.	DTIL	WOS	CONS.
Net sales/Income from operations	690.82	226.84	917.66	646.59	129.73	776.32
Other Income	93.75	-	93.75	79.56	-	79.56
Total Income	784.57	226.84	1011.41	726.15	129.73	855.88
Cost of materials	170.79	0.02	170.81	168.03	-	168.03
Employee's Cost	443.93	152.11	596.04	401.46	81.54	483.00
Finance cost	8.66	-	8.66	21.39	-	21.39
Depreciation	16.59	1.09	17.68	15.51	1.89	17.40
Other Expenses	160.38	24.06	184.44	125.21	33.17	158.38
Total Expenses	800.35	177.28	977.63	731.60	116.60	848.20
Profit / (Loss) before tax	(15.78)	49.56	33.78	(5.45)	13.13	7.68
Deferred Taxes	(9.56)	22.25	12.69	(23.70)	(2.30)	(26.00)
Profit / (Loss) after tax	(25.34)	71.81	46.47	(29.15)	10.83	(18.32)
Paid up equity share capital	372.03	295.66	372.03	372.03	295.66	372.03
Reserves and Surplus (excl. revaluation reserve)	1704.98	(172.83)	1532.15	1730.32	(221.44)	1508.88
Earnings per share	(0.68)		1.25	(0.78)		(0.49)

Revenue from operations has increased by about 18% to Rs.918 lacs. The net Profit after Tax for the fiscal year is Rs.46.47 lacs as compared to a loss of Rs.18.32 lacs in the previous year.

In spite of the wage pressures in the market, your management continued to control the costs without compromising the future delivery capacity. This has resulted in Net Profit (before tax) of about Rs.33.78 lacs as compared to Rs.7.68 lacs in the previous financial year.

The other income of approximately 94 lacs includes about 39 lacs of exchange gain. The management continues to put efforts to collect all the receivables from our customers.

CORPORATE GOVERNANCE

The Corporate governance practices are described separately in page no.10 of this Annual Report. We have obtained a certification from the statutory auditor of the Company as to the compliance of the provisions of the relevant clauses of the Listing Agreement. This certificate is given in page no.18.

EMPLOYEE PARTICULARS

No employee of the Company falls within the limits prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

FIXED DEPOSITS

The Company has not accepted or invited any deposits and consequently no deposit has matured / become due for repayment as on 31st March 2012.

WHOLLY OWNED SUBSIDIARY

The Company has a wholly owned subsidiary in USA, Danlaw Technologies Inc. The financial statements of the said Company have been attached herewith for complying with the provisions of Section 212 of the Companies Act, 1956.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

A management discussion and analysis report, pursuant to clause 49 of the listing agreement forms part of this report and is annexed hereto.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956, the Board of Directors of the Company confirms that:

- a) In the preparation of annual accounts for the year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to any material departures.
- b) Such accounting policies as mentioned in schedule of the notes to the financial statements have been selected and applied consistently and 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 for the financial year ended 31st March 2012 and of the profit and loss of the Company for the year ended on that date.
- c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- d) The annual accounts for the financial year 2011-2012 have been prepared on a going concern basis.

DIRECTORS

Mr. K.N. Praveen Kumar retires by rotation at the ensuing general meeting and is proposed to be re appointed.

Mr. Ravi Kumar Tamma has been appointed as Independent Non-Executive Additional Director w.e.f. 25-6-2012.

Mr. Prakash S. Kanjale resigned as Director w.e.f. 25-6-2012. The Board accepted his resignation with sincere thanks for his contributions to the organization during his tenure.

AUDITORS

M/s. Ramana Reddy & Associates Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing annual general meeting. They have expressed their willingness to accept re-appointment.

M/s. Ramana Reddy & Associates Chartered Accountants have confirmed that their appointment, if made, shall be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO AS REQUIRED U/s.217 (1)(e) OF THE COMPANIES ACT, 1956

a) Conservation of Energy:

The Company is engaged in the business of Software and Information Technology. The activity of the Company does not require huge energy/power. The Company is monitoring the consumption of energy and is identifying measures for saving energy. During the year the Company has taken adequate measures to use energy efficiently and reduce avoidable energy consumption.

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.
- (iii) Foreign Exchange Earnings and Outgo: The particulars of foreign exchange earnings and outgo are given below:

Particulars	2011-2012 INR	2010-2011 INR
Earnings	8,04,39,617	4,15,26,563
Outgo	59,66,385	1,04,09,333

APPRECIATION & ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their sincere thanks to the suppliers, customers, bankers, auditors, registrar and transfer agents and all others associated with the Company for their support and co-operation extended to the Company from time to time. Your Directors express gratitude to the shareholders of the Company for the confidence reposed in the management. Your directors are also pleased to record their appreciation of the dedicated and sincere services of the employees of the Company.

By Order of the Board
for Danlaw Technologies India Ltd.

Hyderabad
June 25, 2012

Raju S Dandu
Chairman & Managing Director

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 five directors of whom four are Independent Non-Executive directors. Four meetings were held during the Financial Year 2011-2012 on 22nd April '11, 20th July '11, 29th October '11, and 13th February '12.

The particulars of directors, their attendance and other directorships, memberships / chairmanships of committees for the financial year 2011-2012 are given below:

Name	Category	Attendance at		Particulars of other Indian Directorships, Committee Memberships / Chairmanships		
		Board	Last AGM	Directorship	Committee Membership	Committee Chairmanships
Raju S Dandu	Promoter Executive	3	Yes	Nil	Nil	Nil
Prakash Kenjale	Independent Non-executive	Nil	Nil	1	Nil	Nil
M. A. Ashok Kumar	Independent Non-executive	3	Yes	1	Nil	Nil
Naga Satyanarayana Sappata	Independent Non-executive	4	Yes	Nil	Nil	Nil
K N Praveen Kumar	Independent Non-executive	4	Yes	Nil	Nil	Nil

3. The Committees of the Board

a) Audit Committee

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