

From the CEO's desk....



Dear Shareholders,

I am pleased to inform you that we have ended the fiscal year 2012-13 with growth of 34.3% in operating revenue and significant improvement in profitability. I am happy to bring to you glimpses of the year and the future outlook.

Over the past year we have seen a significant surge in the adoption of technologies like cloud, mobility, social and analytics. This changes the way technology is being consumed and delivered. The gap between the consumer and the enterprise users or the business and technology buyers is narrowing. The charter for the new breed of economic buyers is to drive growth and differentiation for their customers. All our functions including finance and operations are playing active roles in adapting to this shift in the way technology is delivered.

While we continue to support our traditional buyers in reducing costs, we meet their business needs for responsiveness and flexibility.

Our philosophy has always been to concentrate on few verticals where our inherent strengths give us an advantage.

Globally, the automotive industry has been fueling significant innovation by using electronics and technology. Along with meeting all the new regulations for fuel efficiency improvements, move towards electric and hybrid vehicles will require sophisticated electronics. Consumer electronics is coming into the vehicle in the form of infotainment and that will fuel the need for complex technologies and some standardization in software platform. We are well positioned to take advantage of this anticipated growth.

As part of our telematics offerings we continue to develop hardware and software solutions. We will

be well positioned to offer SAAS (Software As A Service) on cloud. The core enabling technology of the connected world is Machine-to-Machine (M2M) communication. The enormous benefits and opportunities make M2M a driver of innovation and economic growth throughout developed and developing countries.

Summary of financial results:

- Total revenue of Rs.1346 lacs as compared to Rs.1011 lacs, a year over year growth of 33%
- Profit before exceptional items of Rs.314 lacs vs. Rs. 34 lacs in FY 2011-12
- Danlaw Technologies Inc. our USWOS:
 - Total revenues of \$1.773million, an increase of 39%
 - Income from Operations has increased from \$102 thousand to \$275 thousand USD.

A significant majority of our revenues comes from repeat business. This is because of the trust our customers place in us and in our ability to adapt to their changing business needs. I would like to thank each and every one of our customers.

I have immense confidence in the capabilities of our people, our biggest asset. It is the passion and commitment of our people that have helped us to succeed. I congratulate them for a successful year.

I thank the Board of Directors for their continued guidance.

We will continue to do whatever it takes to fulfill our responsibilities toward all our stakeholders.

As we enter another financial year, we look forward to receiving your continued trust and support.

Thank you

Very 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
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 500 034.
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 500 028.

BANKERS

The Dhanalakshmi Bank Ltd,
Banjara Hills Branch, Hyderabad.

HDFC Bank Ltd. ,
Banjara Hills Branch,
Hyderabad.

**DEPOSITORY REGISTRARS & SHARE
TRANSFER AGENTS**

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

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NOTICE

Notice is hereby given that the Twentieth Annual General Meeting of the Company will be held on Monday, the 30th day of September 2013 at 10.00 a.m. at the Registered Office of the Company at Plot 43, Sagar Society, Road 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 2013 and the Profit & Loss Account 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. Naga Satyanrayana Sappta, 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.

By Order of the Board
For Danlaw Technologies India Ltd.,

Place: Hyderabad
Date: 13.07.2013

Raju S. Dandu
Managing Director

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 26th September 2013 to 30th September 2013 (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 2013, to facilitate the compilation of data for clarifications.
5. Members are requested to send all communications relating to shares to the Company's Share Transfer Agents (Physical and Electronic) to M/s. Karvy Computershare Private Limited, 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: 13.07.2013

DIRECTORS' REPORT

To,
The Members,

Your Directors take pleasure in presenting the 20th Annual Report and the Audited Statement of Accounts for the year ended 31st March 2013.

FINANCIAL PERFORMANCE

Key aspects of your Company's financial performance for the year 2012-13 are tabulated below:

Rs. in Lakhs

Particulars	2012-13			2011-12		
	DTIL	WOS	Cons.	DTIL	WOS	Cons.
Net sales/Income from operations	869.99	363.04	1233.03	690.82	226.85	917.67
Other Income	113.37	-	113.37	93.75	-	93.75
Total Income	983.36	363.04	1346.40	784.57	226.85	1011.42
Cost of materials	162.29	-	162.29	170.79	0.02	170.81
Employee's Cost	444.74	209.05	653.79	432.24	152.11	584.35
Finance cost	0.06	-	0.06	8.66	-	8.66
Depreciation	17.55	0.53	18.08	16.59	1.09	17.68
Other Expenses	173.26	24.48	197.74	172.07	24.07	196.14
Total Expenses	797.90	234.06	1031.96	800.35	177.29	977.64
Profit / (Loss) before tax	185.46	128.98	314.44	(15.78)	49.56	33.78
Exceptional Items	-	111.07	111.07	-	-	-
Profit before extraordinary items and tax	185.46	17.91	203.37	(15.78)	49.56	33.78
Deferred Taxes	(59.76)	(6.61)	(66.37)	(9.56)	22.25	12.69
Profit / (Loss) after tax	125.70	11.30	137.00	(25.34)	71.81	46.47
Paid up equity share capital	372.03	295.66	372.03	372.03	295.66	372.03
Reserves and Surplus (excl. revaluation reserve)	1830.68	(153.80)	1676.88	1704.98	(172.83)	1532.15
Earnings per share	3.38		3.68	(0.68)		1.25

Revenue from operations has increased by about 35% to Rs.1,233 lacs. The net Profit before exceptional items and Tax for the fiscal year is Rs.314.44 lacs as compared to a Profit of Rs.33.78 in the previous year. During the current year an amount of Rs.111.07 lacs was recognized as impairment loss for goodwill due to declining revenue and losses incurred by the billing services division of the subsidiary. Profit after exceptional items and tax for the fiscal year is Rs.137 lacs as compared to a Profit of Rs.46.47 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.314.44 lacs as compared to Rs.33.78 lacs in the previous financial year.

The other income of approximately Rs.133 lacs includes about Rs.23 lacs of exchange gain and about Rs.90 lacs of interest income. 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.8 of this Annual Report. We have obtained a certification from the Practicing Company Secretary as to the compliance of the provisions of the relevant clauses of the Listing Agreement. This certificate is given in page no.13.

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 2013.

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 2013, 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 2013 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 2012-2013 have been prepared on a going concern basis.

DIRECTORS

Mr. Naga Satyannaryana Sappta retires by rotation at the ensuing general meeting and is proposed to be re-appointed.

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.

c) Foreign Exchange Earnings and Outgo:

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

Particulars	2012-2013 INR	2011-2012 INR
Earnings	5,92,26,900	3,95,66,651
Outgo	80,24,398	59,66,385

APPRECIATION & ACKNOWLEDGMENTS

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
May 11, 2013

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. Five meetings were held during the Financial Year 2012-2013 on 11th May 2012, 25th June 2012, 14th August 2012, 27th October 2012 and 26th January 2013.

The particulars of directors, their attendance and other directorships, memberships / chairmanships of committees for the financial year 2012-2013 are given below:

Name	Category	Attendance At		Particulars of other Indian Directorships, Committee Memberships/Chairmanships		
		Board	Last AGM	Directorship	Committee Membership	Committee Chairmanship
Raju S Dandu	Promoter Executive	5	Yes	1	Nil	Nil
*Prakash S Kenjale	Independent Non-executive	Nil	Nil	1	Nil	Nil
M A Ashok Kumar	Independent Non-executive	5	Yes	1	Nil	Nil
Naga Satyanarayana Sappata	Independent Non-executive	5	Yes	Nil	Nil	Nil
K N Praveen Kumar	Independent Non-executive	5	Yes	Nil	Nil	Nil
T Ravikumar	Independent Non-executive	4	Yes	Nil	Nil	Nil

*Mr. Prakash Kanjale resigned as Director w.e.f 25.6.12

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. T Ravi Kumar, Mr. Naga Satyanarayana Sappata, Mr. K N Praveen Kumar and Mr. Raju S Dandu.

The Committee met five times during the financial year 2012-2013, on 11th May 2012, 25th June 2012, 14th August 2012, 27th October 2012 and 26th January 2013.

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

b) Remuneration Committee

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

Details of remuneration to directors

Non-Executive directors are not paid any remuneration, except sitting fee@ Rs.5,000/- 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 2012 - 2013:

Name	Salary	Contribution To PF	Perks	Sitting Fee	TOTAL
Raju S Dandu	10,80,000	1,29,600	2,805	-	12,12,401
Prakash S Kenjale	-	-	-	-	-
M A Ashok Kumar	-	-	-	35,000	35,000
Naga Satyanarayana Sappata	-	-	-	50,000	50,000
K N Praveen Kumar	-	-	-	50,000	50,000
T Ravi Kumar	-	-	-	35,000	35,000

c) Share Transfer and Investors' Grievance Committee

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

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

4. General Body Meetings

Year	Meeting	Date, Venue & Time	Special Resolutions passed at the meetings
2009-2010	AGM	30 th September, 2010 Regd. Office 11.00 a.m.	1) Appointment of Mr. K N Praveen Kumar as Director
2010-2011	AGM	30 th September, 2011 Regd. Office 10.00 a.m.	1) Re-appointment of Mr. Raju S Dandu as Managing Director
2011-2012	AGM	14 th August, 2012 Regd. Office, 10.00 a.m.	1) Appointment of Mr. T Ravi Kumar as Director

5. Disclosures

The details of transactions with related parties are given in 19.2.16 of the 'Notes on Accounts' at page no. 34 forming part of the accounts. There were no potentially conflicting transactions with the related parties. There were no 'charges of non-compliance' against the company.

6. Means of Communication

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

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