

From the CEO's desk....



Dear Shareholders,

These are exciting times for our company as the technology is reshaping our world - an increasingly digital world and a deeply connected world. As part of the "Internet of Every Thing" world, our focus will be on IOV "Internet of Vehicles". Our vast experience in vehicle electronics becomes our core competitive advantage.

The analysts forecast global auto electronics market to grow at a CAGR of approximately 15% during the period 2016-2020. A key growth driver is the rising consumer demand. Consumer demand for safety, connectivity, and infotainment in the vehicle promises to drive the auto electronics industry.

According to "Global Automotive Executive Survey -2016" (Courtesy KPMG International), Connectivity and digitalization will be key trend dominating the strategic agenda until 2025. As per the survey the countdown for disruption already started and that more than 80% of the executives are convinced that the new digitalized connectivity will strongly disrupt the auto industry by the end of this decade.

As consumers increasingly aim to be always connected, the relationships are shifting to a much more service-oriented and new data driven business model. The center of gravity of the customer relationship in a connected car seems to be rapidly shifting towards tech giants from Silicon Valley.

As the OEMs and large Tier-1s along with tech giants concentrate on the new vehicles, your company has an opportunity to address the

existing vehicles that will not have all the new technologies. As an after-market telematics provider along with the investments we are making in cloud based software applications we will be well positioned to take advantage of this disruptive trend.

Data from the cars will be the fuel that will ignite informational engineering. It is very critical for our company to invest in Data Science and deliver some valuable services like Vehicle Health to the consumers. We are confident our strengths will lead to new opportunities in this exciting space.

Summary of financial results:

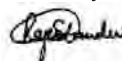
- Total revenue 1242 lacs as compared to 995 lacs of previous year
- Profit after tax of 190 lacs vs. 94 lacs in previous year
- Danlaw Technologies Inc. our USWOS:
 - Total revenues of \$725 thousand US Dollars
 - Income from Operations \$81 thousand USD

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

I thank the Board of Directors for their continued guidance.

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

Best Regards,
Sincerely Yours,



Raju S. Dandu
Chairman & Managing Director

BOARD OF DIRECTORS

Raju S Dandu
Chairman & Managing Director

K N Praveen Kumar
Director

M A Ashok Kumar
Director

N S Sappata
Director

T Ravi Kumar
Director

P Sundaramma
Director

MANAGEMENT TEAM

B V Ramana
Chief Operating Officer

G Govardhan Rao
Executive Vice President

Y V Subramanyam
Vice President- ISS Division

E U S Prabhakar
Vice President- ESD

A V R K Varma
Chief Financial Officer

V Padmaja
Company Secretary

REGISTERED OFFICE

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

USA SUBSIDIARY

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

AUDITORS

M/s. Ramana Reddy & Associates
Chartered Accountants,
Unit No.406, 4th Floor,
Ashoka Capitol, Opp: KBR Park,
Road No.2, Banjara Hills,
Hyderabad - 500034

BANKERS

HDFC Bank Ltd. ,
Banjara Hills Branch,
Hyderabad.

SBI - IFB
Somajiguda, Hyderabad.

DEPOSITORY REGISTRARS & SHARE TRANSFER AGENTS

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

CONTENTS

Pages

Notice of AGM	4
Directors' Report (DTIL).....	9
Report on Corporate Governance	28
General Shareholders Information	32
Management Discussion & Analysis Report	34
Certification by CEO & CFO of the Company.....	37
 <u>Financials of DTIL as on March 31, 2016</u>	
Auditors' Report	38
Balance Sheet	45
Profit and Loss Statement.....	46
Notes on Accounts.....	47
Significant Accounting Policies & Additional Notes on Accounts	51
Statement of Cash Flows	56
 <u>Financials of DTI as on March 31, 2016</u>	
Directors' Report (DTI)	57
Auditors' Certificate	58
Balance Sheet	59
Statement of Operations	60
Statement of Stockholders' Equity and Cash flows	61
Notes on financial statement	62
 <u>Consolidated Financials as on March 31, 2016</u>	
Auditors' Report	65
Balance Sheet	70
Profit and Loss Statement	71
Notes on Accounts	72
Significant Accounting Policies & Additional Notes on Accounts	76
Consolidated Statement of cash flows	78

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Company will be held on Friday, the 30th day of September 2016 at 10.00 a.m. at the Registered Office of the Company at Plot 43, Sagar Society, Road 2, Banjara Hills, Hyderabad, Telangana – 500034, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the financial statements of the Company for the financial year ended March 31, 2016 including the audited Balance Sheet as at March 31, 2016, the Statement of Profit and Loss for the financial year ended on that date and the reports of the Board of Directors and the Auditors thereon.
2. Appointment of Auditors

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

“RESOLVED that pursuant to the provisions of section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Ramana Reddy & Associates, Chartered Accountants (Firm Registration No. 003246S), as Statutory auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty fourth AGM of the Company to be held in the year 2017 at such remuneration plus service tax, out-of-pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS

3. Re-appointment of Mr. Raju S Dandu as Managing Director
To consider and, if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

“ RESOLVED THAT pursuant to Sections 196,197,198,203 and Schedule V of the Companies Act, 2013, as amended from time to time and other applicable provisions, rules thereof, and subject to approval of the Central Government, Mr. Raju S Dandu be and is hereby appointed as the Chairman and Managing Director of the Company at a remuneration of gross pay of Rs.1,50,000/- (Rupees one lakh fifty thousand only) per month plus all other benefits, perquisites and other allowances as permitted by the Companies Act, 2013 within the rules of the Company as applicable from time to time.

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

Category I: Included in the Remuneration

- a) Housing: The expenditure incurred by the Company on hiring furnished accommodation.
- b) House Maintenance: The expenditure incurred by the Company on gas, electricity, water and furnishings.
- c) Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of one-month salary.
- d) Club fee subject to a maximum of two clubs.
- e) Premium on Medical / Personal Accident Insurance Policy, which does not exceed Rs.5,000/- per month.
- f) The Company will reimburse the wages of one servant at residence.

Category II: Not included in the remuneration

- a) 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.
- b) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- c) Encasement of Leave at the end of his tenure
- d) Leave: As per the rules of the Company
- e) Leave Travel Concession for self and family incurred in accordance with the service rules of the Company.
- f) Provision of car with driver for use on Company's business.
- g) Telephone at residence and mobile phone for self

RESOLVED FURTHER that the Chairman and Managing Director shall be paid a commission upto a maximum of 2% of the current relevant profit, the actual amount of which will be determined by the Board of Directors from time to time, subject to overall ceiling of Managerial Remuneration as prescribed in the Companies Act, 2013.

RESOLVED FURTHER that notwithstanding anything specified above, where in any financial year, during the currency of 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 be and is hereby authorized to revise the gross salary of the Chairman and Managing Director by a maximum of 50% per annum."

Place: Hyderabad
Date: 06.08.2016

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN : 00073484

NOTES:

1. The Statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed.
2. **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.
3. 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.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 26th September 2016 to 30th September 2016 (both days inclusive).
5. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 25th September 2016, 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 Computer share Private Limited, at Karvy Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500 032, Telangana State (TS) India. E-mail: einward.ris@karvy.com
7. The Notice of the AGM along with the Annual Report 2015-16 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 2015-16 are being sent by the permitted mode.
8. Members may also note that the Notice of the AGM along with Annual Report 2015-16 will be available on the Company's website, www.danlawtechnologies.com.
9. 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 Computer share Private Limited, on all the resolutions set forth in this Notice.
10. 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 (23rd September 2016). 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.
11. Any person who acquires shares of the company and becomes member of the company after the date of dispatch of Notice and holds shares as on the cut-off date may obtain the User ID and password/PIN by sending a request to Karvy Computershare Private Limited.

12. 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.
13. In case of any query pertaining to e-voting, please visit Help & FAQ's section available at <https://evoting.karvy.com> or contact on 1-800- 3454001(toll free) or contact Mr. Sandeep Sanghi on (040) 67161608

Place: Hyderabad
Date: 06.08.2016

By Order of the Board
For Danlaw Technologies India Limited

Raju S. Dandu
Managing Director
DIN : 00073484

EXPLANATORY STATEMENT

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

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

Item No. 2

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

Ramana Reddy & Associates, Chartered Accountants (Firm Registration No. 003246S) were appointed as the statutory auditors of the company for a period of three years at the Annual General Meeting (AGM) of the Company held on September 30, 2014.

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 2011 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 2011. His term of five years expired on 31st

March 2016. The Board approved his re-appointment for another term of five years, w.e.f. 1st April 2016. The remuneration committee has also reviewed the terms & conditions of appointment and approved the same.

The Board of Directors recommends the resolution for approval. Mr. Raju S Dandu is considered as concerned or interested in the said resolution.

For the information of the members, his detailed profile is appended herein below.

Information about Mr. Raju S Dandu:

Danlaw is the brainchild of Mr. Raju, who has been its Promoter Director. He is instrumental in spearheading the progress of the Company during all these years. Mr. Raju has been the source of getting business from US clientele – both for Engineering and IT divisions. He has formulated the core culture and policies of the Company and chiseled the future of Danlaw. The growth of the Company is as per his vision and future plans. Being CMD of the Company, Mr. Raju is propagating the image of Danlaw among the industry circles. He has long drawn plans for the future of the Company, which would be implemented in phased manner with due approvals from the Board and the Members of the Company as per the requirements. Under his able stewardship, Danlaw has a bright future.

Mr. Raju is a highly qualified Technocrat from Andhra Pradesh, India. He is B.E. in Electronics and Communications, M.S in Electrical and Computer Engineering from University of Iowa, USA and MBA from University of Detroit, USA.

Raju started his professional career in 1977 as a programmer analyst with University of Iowa hospitals where he was responsible for systems programming for the cancer institute. He moved on to Dearborn, Michigan in 1978 to work for Ford Motor Company as software engineer where he developed controls based on first 16-bit microprocessors as well as the first automated engine control software tester. He moved to Dana Corporation in 1980 where he was responsible for development of general purpose CNC and developed the first ever GUI and application logic on CNC control. Raju worked as an independent consultant for General Motors from 1982 to 1984 and responsible for Engine control and Body computer modules.

He then founded Danlaw Inc. in Detroit, USA, in 1984, which is today synonymous with vehicle diagnostics, testing and messaging and is a tier-1 vendor to GM. After having gained rich experience as a technocrat and as an entrepreneur from India for over a period of two decades, Mr. Raju has set up another company by name Danlaw Technologies India Ltd. in his homeland. The company provides employment to over 500 technical people at various levels. He is much admired by his colleagues and staff for his strong core values, ethics, principles and far reaching vision.

The Board commends the Resolution at item No. 3 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. 3 of the accompanying Notice.

Place: Hyderabad
Date: August 06, 2016

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, 2016. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2015-16			2014-15		
	DTIL	WOS	Cons.	DTIL	WOS	Cons.
Net sales/Income from operations	1103.20	205.55	1308.75	874.07	262.30	1136.37
Other Income	139.09	-	139.09	120.63	-	120.63
Total Income	1242.29	205.55	1447.84	994.70	262.30	1257.00
Cost of materials	172.70	-	172.70	135.72	-	135.72
Employee's Cost	596.31	141.28	737.59	543.76	167.71	711.47
Finance cost	0.85	-	0.85	-	-	-
Depreciation	21.87	-	21.87	26.49	-	26.49
Other Expenses	172.49	11.71	184.20	171.04	13.85	184.89
Total Expenses	964.22	152.99	1117.21	877.01	181.56	1058.57
Profit / (Loss) before tax	278.07	52.26	330.63	117.69	80.74	198.43
Exceptional Items	-	-	-	-	65.94	65.94
Profit before extraordinary items and tax	278.07	52.56	330.63	117.69	146.68	264.37
Current Tax	56.86	8.47	65.33	25.87	6.32	32.19
Deferred Taxes	31.11	-	31.11	(2.32)	46.43	44.11
Profit / (Loss) after tax	190.10	44.09	234.19	94.14	93.93	188.07
Paid up equity share capital	372.03	295.66	372.03	372.03	295.66	372.03
Reserves and Surplus (excl. revaluation reserve)	2109.42	169.04	2278.46	1919.32	95.32	2014.64
Earnings per share	5.11		6.29	2.53		5.06

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 2015-16.

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 26% to Rs.1103.20 lacs. The net Profit before Extraordinary items and Tax for the fiscal year is Rs.278.07 lacs as compared to a Profit of Rs.117.69 lacs in the previous year. An Increase of 236%. Profit after Extraordinary items and tax for the fiscal year is Rs.190.10 lacs as compared to a Profit of Rs.94.14 lacs in the previous year. Your management continued to control the costs without compromising the future delivery capacity.

The other income of Rs.139.09 lacs includes about Rs.118.21 lacs of interest income, Rs.20.88 lacs of exchange gain. 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

There are no material changes occurred subsequent to the close of financial year of the company.

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

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

Internal financial control systems and their adequacy

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

Subsidiary Companies

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

Deposits from public

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

Auditors

In terms of the provisions of Section 139(1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the Company appointed the Statutory Auditors for a period of three years from the conclusion of the 21st Annual General Meeting upto the conclusion of 24th Annual General Meeting. Your Company has received confirmation from the said Auditor that their appointment is within the limits prescribed under Section 139(1) of the Companies Act, 2013 and Rule 4(1)(a) of Companies (Audit and Auditors) Rules, 2014. As per the provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by the members at every AGM. Therefore, the Board of Directors recommend to the Members for ratification accordingly.

Auditors' report and secretarial auditors' report

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

Extract of the Annual Return

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

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

Your Company is engaged in the business of software and information technology and has no specific activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014. The Company