

From the CEO's desk....



Dear Shareholders,

The Digitalization and the Connectivity have become integral part of automotive industry. The Digital Market Place embraced by the automotive OEMs presents a unique opportunity for our company. Our vast experience as a telematics hardware supplier along with our expertise in the cloud based software applications positions us to play a significant role in the automotive digitalized connectivity space.

In the Connected Vehicles market place, our telematics hardware offers a wide variety of features to make the vehicle smarter. We facilitate services like vehicle diagnostics, proactive maintenance, driver behavior, accident notification, vehicle tracking and internet connectivity just to name a few.

As presented in Roland Berger Connected Vehicles 2017 report, the telematics space is still at a nascent stage in India. The key characteristics of the Indian market is a) Dominance of Commercial Vehicle sector b) Use of basic services.

The CV telematics market is expected to grow at 25% per annum, mainly led by after-market segment and entry level solutions.

The revenue in the "Connected Car" market in India is expected to grow from about 650 Million USD to about 2.5 Billion in 2020. The Safety & Driving assistance revenues are expected to grow about 39% CAGR while Diagnostics & Maintenance is expected to grow at 85% CAGR.

In the CV telematics market, APAC is the second largest market driven by countries such as India, China and Japan. By 2022, APAC is expected to be the leading contributor to global commercial vehicles telematics market.

With our industry knowledge and the innovative solutions developed by our exceptionally talented workforce, Danlaw enables our customers to achieve a greater value chain coverage.

We have reached an exciting stage for our company and we are poised to play a significant role in the Connected Vehicle market place.

Summary of financial results:

- Total revenue 1257 lacs as compared to 1242 lacs of previous year
- Profit before tax of 159 lacs vs. 278 lacs in previous year
- Danlaw Technologies Inc. our US WOS:
  - o Total revenues of \$601 thousand US Dollars
  - o Income from Operations \$57 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.

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



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#### **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

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## NOTICE

Notice is hereby given that the Twenty Fourth Annual General Meeting of the Company will be held on Friday, the 29th day of September 2017 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, 2017 including the audited Balance Sheet as at March 31, 2017, 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, 141 , 142 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 appoints of M/s. CSV R & Associates, Chartered Accountants (Firm Registration No. 012121S), as Statutory auditors of the Company for a term of 5 years to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of twenty ninth AGM of the Company to be held in the year 2022 with remuneration of Rs.1,80,000/- plus applicable taxes per year, reimbursement of out-of-pocket expenses, etc., and that the Board of Directors be and hereby authorized to fix such increase in remuneration during the tenure of Auditors as may be determined by Audit Committee in consultation with the Auditors. Further such appointment of Auditors is to be ratified by the member at every AGM”.

3. To re-appoint of Mr. Raju S Dandu 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”.

Place: Hyderabad  
Date: 12.08.2017

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 25th September 2017 to 29th September 2017 (both days inclusive).
4. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 24th September 2017, 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, 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
6. The Notice of the AGM along with the Annual Report 2016-17 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 2016-17 are being sent by the permitted mode.
7. Members may also note that the Notice of the AGM along with Annual Report 2016-17 will be available on the Company's website, [www.danlawtechnologies.com](http://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 Computershare 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 (22nd September 2017). 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 Computershare 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.

Place: Hyderabad  
Date: 12.08.2017

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 and their term ends with the AGM of 2017. New Auditors are to be appointed.

Hence the approval 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.

Place: Hyderabad  
Date: August 12, 2017

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, 2017. Consolidated performance of the Company and its subsidiary has been referred to wherever required.

### FINANCIAL RESULTS

Rs. in Lakhs

Particulars	2016-17			2015-16		
	DTIL	WOS	Cons.	DTIL	WOS	Cons.
Net sales/Income from operations	1149.29	152.57	1301.86	1103.20	205.55	1308.75
Other Income	108.37	-	108.37	139.09	-	139.09
Total Income	1257.66	152.57	1410.23	1242.29	205.55	1447.84
Cost of materials	180.21	-	180.21	172.70	-	172.70
Employee's Cost	688.54	93.15	781.69	596.31	141.28	737.59
Finance cost	2.31	-	2.31	0.85	-	0.85
Depreciation	19.25	-	19.25	21.87	-	21.87
Other Expenses	207.88	12.08	219.96	172.49	11.71	184.20
Total Expenses	1098.19	105.23	1203.42	964.22	152.99	1117.21
Profit / (Loss) before tax	159.47	47.34	206.81	278.07	52.26	330.63
Exceptional Items	-	-	-	-	-	-
Profit before extraordinary items and tax	159.47	47.34	206.81	278.07	52.56	330.63
Current Tax	35.66	9.10	44.76	56.86	8.47	65.33
Deferred Taxes	319.69	-	319.69	31.11	-	31.11
Profit / (Loss) after tax	(195.88)	38.24	(157.64)	190.10	44.09	234.19
Paid up equity share capital	372.03	295.66	372.03	372.03	295.66	372.03
Reserves and Surplus (excl. revaluation reserve)	1913.55	196.58	2110.13	2109.42	169.04	2278.46
Earnings per share	(5.27)		(4.24)	5.11		6.29

#### 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 2016-17.

#### 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 4% to Rs.1149.29 lacs. The net Profit before Extraordinary items and Tax for the fiscal year is Rs.159.48 lacs as compared to a Profit of Rs.278.07 lacs in the previous year. Due to lapse of brought forward loss from earlier years the deferred tax asset has impacted with a reduction of Rs.319.69 lacs. Your management continued to control the costs without compromising the future delivery capacity.

The other income of Rs.108.37 lacs includes about Rs.107.86 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**

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**

M/s. Ramana Reddy & Associates, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing annual general meeting. Upon recommendation of Audit Committee, the Board has appointed M/s. CSV & Associates, Chartered Accountants (FRN: 012121S) as statutory auditors of the company for a term of 5 years with a remuneration of Rs.1,80,000 plus applicable taxes subject to approval of members at the ensuing annual general meeting. Your Company has received consent and confirmation from the said Auditors that their appointment, if approved, shall be 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 approval of the appointment of Statutory Auditors 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 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 endeavor 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	2016-2017	2015-2016
Earnings	8,99,06,509	8,45,40,692
Outgo	57,50,750	69,12,729

**Corporate social responsibility policy**

Not applicable

**Directors and Key Managerial Personnel**

- |    |                                |                                        |
|----|--------------------------------|----------------------------------------|
| 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. N Praveen Kumar            | -- Independent Director                |
| 6. | Mrs. P.Sundaramma              | -- Independent Director                |
| 7. | Mr. AVRK Varma                 | -- Chief Financial Officer (KMP)       |
| 8. | Mrs. V .Padmaja                | -- Company Secretary (KMP)             |

**Key managerial personnel**

Pursuant to the provisions of Section 203 of the Companies Act, 2013 (the Act) read with Rule 8 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your company has complied with the provisions by appointing CS, CFO with effect from 28th May, 2014.

**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 Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India ("SEBI") under Clause 49 of the Listing Agreements ("Clause 49").

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**

Four 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 2016-17, 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: 3.89
- b. No other directors are paid remuneration except sitting fees
- c. There is no increase in the remuneration of MD, CFO or CS in the financial year.
- d. The number of permanent employees on the rolls of the Company: 101

#### **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.