

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:
 - o Total revenues of \$1.773million, an increase of 39%
 - o 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 Satyanarayana 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.

GENERAL SHAREHOLDER INFORMATION

(A) GENERAL INFORMATION

General information about the Company, viz., Contacts, Names of Directors, Compliance Officer, Management Team, Addresses of Registered Office, Subsidiary, Statutory Auditors, Bankers and Depository Registrars & Share Transfer Agents are provided at Page 2.

(B) OTHER INFORMATION

Annual General Meeting

Day	:	Monday
Date	:	30 th September, 2013
Time	:	10.00 AM
Venue	:	Registered Office, at Plot No. 43, Sagar Society, Road No. 2, Banjara Hills, Hyderabad 500 034.
Date of Book Closure	:	26 th To 30 th September, 2013 (both days inclusive)
Financial Year	:	1 st April 2012 to 31 st March 2013
Listing Details	:	Bombay Stock Exchange Limited
Stock Code	:	532329
ISIN for NSDL & CDSL	:	INE310B01013

(C) Market Price Data & Comparison with BSE Sensex

Month	Danlaw		Sensex	
	High	Low	High	Low
April 2012	11.44	8.98	17664.10	17010.16
May	9.90	7.76	17432.33	15809.71
June	9.30	7.05	17448.48	15748.98
July	11.20	8.13	17631.19	16598.48
August	11.69	8.56	17972.54	17026.97
September	10.00	8.16	18869.94	17250.80
October	10.65	8.81	19137.29	18393.42
November	11.01	8.90	19372.70	18255.69
December	10.50	8.36	19612.18	19149.03
January 2013	13.57	8.84	20203.66	19508.93
February	12.45	9.32	19966.69	18793.97
March	10.90	7.65	19754.66	18568.43

Source: www.bseindia.com

(D) Distribution of Shareholding as on March 31, 2013

Category	Shareholders	%	Share Amount INR	%
1-5000	1214	74.66	17,19,530	4.62
5001-10000	161	9.90	13,88,290	3.73
10001 - 20000	98	6.03	15,22,340	4.09
20001-30000	40	2.46	10,22,130	2.75
30001-40000 .	16	0.98	5,75,560	1.55
40001 - 50000	25	1.54	11,80,930	3.17
50001 - 100000	28	1.72	20,12,370	5.41
100001 & Above	44	2.71	2,77,81,850	74.68
Total	1626	100.00	3,72,03,000	100.00

(E) Categories of Shareholders as on March 31, 2013

Category	Shares	%
Promoters & Promoter Group	18,50,805	49.75
Banks / FIs / MFs / Governments	43,000	1.16
Bodies Corporate	2,45,099	6.59
NRIs / OCBs	2,968	0.08
Indian Public	15,78,428	42.42
Total	37,20,300	100.00

(F) Shares & Dematerialization

As per SEBI Regulations, the shares of the Company are brought under compulsory dematerialized form. The shares can be traded in dematerialized form only. The Company has entered into agreements with NSDL and CDSL, whereby shareholders have the option to dematerialize their shares with either of the Depositories. The Depository Registrars & Share Transfer Agents, M/s. Karvy Computer share Private Limited, process the physical share transfers and demat / remat requests, with intimation to the Company. More than 95% of shares are dematerialized and there are no outstanding ADRs / GDRs or other instruments pending conversion into equity shares.

**FORM
(SEE RULE 3]**

COMPLIANCE CERTIFICATE

Registration No: L72200AP1992PLC015099
Company Name: Danlaw Technologies India Limited
Authorised Capital: Rs.5,00,00,000
Paid Up Capital : Rs. 3,72,03,000

To
The Members of:
DANLAW TECHNOLOGIES INDIA LIMITED

I have examined the registers, records, books and papers of M/S. Danlaw Technologies India Limited (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained In the Memorandum and Articles of Association of the Company for the financial year ended on 31st March, 2013 (Financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company being a public limited company, comments are not required.
4. The Board of Directors duly met 5 times respectively on 11.05.2012, 25.06.2012, 14.08.2012, 27.10.2012 and 26.01.2013 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company closed its Register of Members from 10th August 2012 to 14th August 2012 and necessary compliance of Section 154 of the Act has been made.
6. The Annual General Meeting for the financial year ended on 31st March, 2012 was held on 14th August 2012 after giving due notice to the members of the Company and the resolutions passed there at were recorded In the Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting was held during the financial year.
8. The Company has not advanced any loan to Its directors and/or persons or firm or companies referred In Section 295 of the Companies Act, 1956.
9. The Company has complied with the provisions of Section 297 of the Act in respect of contracts mentioned in that section.
10. The company has made necessary entries In the register maintained under section 301(1) and 301(3) of the Act, 1956 in separate registers maintained for that purpose.

11. The company was not required to obtain any approvals under section 314 of the Act.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - (i). has not allotted any shares and has not received any shares for transfer, transmission or any other purpose.
 - (ii). not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
 - (iii). Was not required to pay/post warrants or transfer amount to any separate account as no dividend was declared.
 - (iv). Was not required to transfer any amounts, in unpaid dividend account, of application money due for refund, of matured deposits, of matured debentures and the Interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
 - (v) has duly complied with the requirements of section 217 of the Act.
14. The Board of Directors of the Company is duly constituted, appointment of directors and additional directors were properly made and there was no appointment of alternate directors and directors to fill casual vacancy during the financial year.
15. The re-appointment of Managing Director has been made in compliance with the provisions of Section 269 read with Schedule XIII of the Act.
16. The Company has not appointed any sole-selling agents during the financial year.
17. The company was not required to obtain any approvals of the central Government, Company Law Board, Regional Director, Registrar of companies and/ or such authorities prescribed under various provisions of the Act during the financial year.
18. The directors have disclosed their Interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.
20. The Company has not bought back any shares during the financial year.
21. The Company has not issued any preference shares/debentures.
22. The Company was not required to keep in abeyance rights to dividend, rights shares and bonus shares pending registration of transfer of shares does not arise as no dividend was declared and no rights/bonus shares were issued.
23. The Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 58A during the financial year.
24. The amount borrowed by the company from directors, members, public, financial Institutions, banks and others during the financial year ending 31st March 2013 is within the borrowing limits of the Company provided under section 293(1)(d) of the Act.
25. The Company has made investments in other bodies corporate in compliance with the provisions of the Act and made necessary entries in the register kept for the purpose and has not made loans, given guarantees or provided securities to other bodies corporate.

26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under scrutiny.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the year under scrutiny.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the year under scrutiny.
30. The Company has not altered its Articles of Association during the financial year.
31. There was/were no prosecution initiated against or show cause notices received by the Company, and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year.
33. The Company has not constituted any separate provident fund pursuant to Section 418 of the Act and accordingly, was not required to deposit any contributions towards provident fund.

Place: Hyderabad
Date: 11.05.2013

S. M. Mohiddin
Practicing Company Secretary
C.P.No: 7813
ACS No: 19395

Annexure A

Registers as maintained by the Company:

Statutory Registers :

1. Copies of instruments creating charges u/s 136
2. Register of charges u/s 143
3. Register of members u/s 150
4. Copies of annual returns u/s 163
5. Minutes of board meetings and general meetings u/s 193
6. Register of contracts in which directors are interested u/s 301(1)
7. Register of companies and firms in which directors are interested u/s 301(3)
8. Register of directors u/s 303
9. Register of directors' shareholdings u/s 307
10. Register of loans and investments made, guarantees given or securities provided u/s 372A

Place: Hyderabad
Date: 11.05.2013

S. M. Mohiddin
Practicing Company Secretary
C.P.No: 7813
ACS No: 19395

ANNEXURE 'B'

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other authorities during the financial year ending 31st March 2013.

Sr. no.	Form No/ Return	Filed under Section	For	Date of filing	Whether filed with in prescribed time yes / no	If delay in filing, whether requisite additional fee paid yes / no
1.	23AC & ACA XBRL	220	For the Financial Year 2011-12	10.12.2012	Yes	N.A.
2.	66	383A	For the Financial Year 2011-12	01.11.2012	No	Yes
3.	20B	159	For the Financial Year 2011-12	13.10.2012	Yes	N.A.
4.	23AC & ACA XBRL	220	For the Financial Year 2010-11	05.07.2012	No	Yes
5.	Form 32	303	Change in designation of Director	17.08.2012	Yes	N.A.
6.	Form 32	303	Appointment /Cessation of Director	26.06.2012	Yes	N.A.

Place:Hyderabad
Date: 11.05.2013

S. M. Mohiddin
Practicing Company Secretary
C.P.No: 7813
ACS No: 19395

DECLARATION OF COMPLIANCE OF CODE OF CONDUCT

I hereby declare that the Company has obtained confirmation from all the Board Members and Senior management personnel of the Company for the compliance of the Code of conduct of the Company for the year.

Place : Hyderabad
Date : May 11, 2013

Raju S Dandu
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overview

The financial statements have been prepared in compliance with Generally Accepted Accounting Principles (GAAP) in India. The financial statements for Danlaw Technologies Inc. (our US subsidiary) have been prepared in compliance with US GAAP. Our Management accepts full responsibility for the integrity of these financial statements.

Industry Overview

National Association of Software and Services Companies (NASSCOM) forecast Information Technology (IT) exports from India will grow 12-14% in the next fiscal year, faster than the 10.9% growth it predicted for the year to 31st March 2013.

For 2013, technology researcher Gartner Inc. expects worldwide IT spending to increase 4.2% to \$3.7 trillion USD.

An increase in global technology spending and opportunities created through the adoption of technologies such as social media, mobility analytics and cloud computing are expected to spur growth in 2013-14 according to Nasscom.

The promise of a world of connected devices, in which machines of all types and sizes can autonomously communicate with each other, has long been imagined. The past year has seen a surge of interest around the core enabling technology of the connected world: Machine-to Machine (M2M) communication. As per GSMA, the proliferation of the connected devices will create a USD 4.5 trillion market for global business by 2020 with estimated 24 billion connected devices.

Machina Research 2012: Machina has done a 10 year forecast based on analysis of hundreds of individual applications spanning across 13 different sectors/verticals such as Automotive, Consumer Electronics, Utilities, Healthcare, and Manufacturing etc. On the basis of this comprehensive analysis, Machina has forecasted that there will be 3.5 billion active M2M connections all over the world by the end of 2020.

Opportunities and Threats

Opportunities

M2M ecosystem consists of carrier MVNOs, hardware OEMs, supply chain, middleware, software application, deployment and asset management.

Danlaw having always concentrated on product development positions itself strongly to play a significant role in this M2M telematics business. Our focus on emerging technologies is enabling us to participate in most of the M2M ecosystem. We will be participating as hardware OEM, and cloud based software application provider.

The continued strong performance of US auto industry this year should yield significant opportunities for Danlaw.

Our approach is to provide solutions and services that lead to differentiated business value. We achieve this by building skills/expertise internally. Wherever necessary, we also utilize external talent expertise in relevant industry domain as well as in specific technologies.

Threats, Risks and Concerns

While significant percentage of revenues is derived in US Dollars and most of our costs are in Indian rupees. The exchange rate between USD and Rupee has fluctuated significantly in recent years and may continue to fluctuate in the future. Currency fluctuations can adversely affect our gross margins.

The global economic uncertainties may lead to economic slowdown and hence our clients may defer their technology spending significantly. This may negatively affect our revenues and profitability.

The competition from companies operating from emerging low cost destinations like Romania and Poland may also affect our profitability.

These risks are broadly industry wide risks. We have taken steps to address these unforeseen events and minimize the impact on our company.

Performance and Outlook

The Engineering division has developed several hardware and software solutions to address the domestic telematics opportunities. The products are being tested at several existing and potential customers.

While we continue to serve our existing automotive OEMs and Tier-1s with embedded software and testing services, we also place heavy emphasis on emerging technologies and opportunities.

The export sales have seen 50% increase year-over-year.

Business Outlook

We have added additional resources with dedicated focus on acquiring new clients. Their job is to hunt and win additional logos. We believe that there are immense opportunities for us in the verticals we serve. Our team has the drive to convert these opportunities into increased revenues and profitability.

Internal Control System and its Adequacy

Your Company has a policy of maintaining effective internal control system and also focuses on strict implementation of these policies and procedures so as to safe guard the assets and interests of the Company.

Your Company has an Audit Committee comprising of two-thirds of Independent Directors of the Company. The findings of internal audit are periodically placed before the Audit Committee and the Board of Directors of the Company. The Audit Committee also reviews periodically the performance of statutory and internal auditors, and adequacy of the internal control systems.

In order to ensure that the financial transactions comply with current legislative requirements and accounting standards, your Company has developed a Financial Accounting Procedure Manual (FAM). The FAM contains procedures, which cover the effective and efficient financial administration of the Company.

Financial Performance

During the year under review the Paid up Share Capital of the Company as on date is Rs. 3,72,03,000/- comprising of 37,20,300 Equity Share of Rs. 10/each. Your company hasn't gone for any issue of share during the fiscal year 2012-13.

The net sales for current year are Rs.1233.03 Lakhs as compared to Rs. 917.66 Lakhs in the last fiscal year and this represents a year over year growth of 34.37%. The net profit before extraordinary items and tax is Rs.314.44 Lakhs as compared to Rs.33.78 Lakhs in the previous FY. An amount of Rs.111.07 lakhs is written off for the current year as extraordinary item towards impairment of goodwill in DTI, the WOS. Deferred tax liability for the current year is Rs.66.37 lakhs as against deferred tax asset of Rs.12.69 lakhs for the previous year.

Material Development In Human Resources

We are employee centric and believe that our employees are the heart of the organization. The management's responsibility is to care and support our employees. We continue to provide them with opportunities for career enhancement and growth. We continually strive to provide our employees with competitive compensation and benefit packages.

We are committed to provide the necessary training opportunities to enable them to adapt to the latest technological advancements. Additionally, we are taking steps to ensure the resources we have are utilized optimally.

As on date the Company has a total strength of 99 Employees.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Companies objectives, projections, estimated and expectations may be forward-looking statement. Actual results may vary materially from those expressed or implied.

CERTIFICATION BY CEO & CFO OF THE COMPANY

We, Raju S Dandu, Managing Director and A V R K Varma, General Manager-Finance of Danlaw Technologies India Limited, to the best of our knowledge and belief certify that:

1. We have reviewed the Balance Sheet, Profit and Loss Account, its schedules & notes to the accounts and cash flow statement for the year ended 31st March 2013 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's and are in compliance with existing accounting standards, applicable laws and regulations.
2. We also certify, that based on our knowledge and the information provided to us, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company's code of conduct.
3. We accept the responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps taken or propose to take to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a) significant changes in internal control during the year;
 - b) significant changes in accounting policies during the year and the same have been disclosed in notes to the financial statements; and
 - c) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system.

PLACE: HYDERABAD
DATE: May 11, 2013

(RAJUSDANDU)
Chairman & Managing Director

(AVRKVARMA)
General Manager Finance

INDEPENDENT AUDITOR'S REPORT

To,
The Members of M/s. Danlaw Technologies India Limited,
Report on the Financial Statements

We have audited the accompanying financial statements of M/s. Danlaw Technologies India Limited, ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31st March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.

for RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 003246S

PLACE : HYDERABAD.
DATE : May 11,2013

(CA.RAMANA REDDY A.V.)
PARTNER
Membership No.024329

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph (3) of our report of even date)

1. (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) The fixed assets of the company have been physically verified by the management during the year as per a programme of verification, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification.
(c) In our opinion and according to the information and explanations given to us, during the year, the company has not disposed off any substantial part of its fixed assets so as to affect its going concern.
2. (a) The stock of goods of the company has been physically verified by the management during the year, in our opinion, the frequency of verification is reasonable.
(b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of stock followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) On the basis of our examination of records of stock, in our opinion, the company has maintained proper records of stock. The discrepancies noticed on physical verification between the physical stocks and the book records were not material.
3. (a) The company has not granted any loans secured or unsecured to companies, firms or other parties listed in the register maintained u/s.301 of the Act.
(b) The company has not taken any interest free loans from companies, firms or other parties listed in the register maintained u/s.301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system with the size of the company and the nature of its business, for the purchase of plant and machinery, equipment and other and with regard to services rendered. Further, on the basis of our examination and information and according to the explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements that need to be entered into the Register maintained under section 301 of Act, have been so entered.
(b) In our opinion, and according to the information and explanations given to us, the company has made contracts or arrangements that need to be entered in the register maintained under section 301 of the Act, and exceeding the value of five lakh rupees in respect of each party during the year. However, the terms and conditions are not prejudicial to the interest of the company.
6. In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public to which the provisions of sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are applicable.
7. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
8. The maintenance of cost records has not been prescribed by the Central Government under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9. (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues as applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2013 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. The company has accumulated losses of Rs.875.89 Lakhs as on 31.03.2013 and it has not incurred any cash losses for the financial year ended on that date and also in the immediately preceding financial year.
11. The company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
12. The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/ society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to this company.
14. In our opinion, the company has maintained proper records of transactions and contracts relating to dealing or trading in shares, securities, debentures, and other investments during the year and timely entries have been made therein. Further, such securities have been held by the company in its own name or are in the process of transfer in its name except to the extent of exemption granted u/s.49 of the Act.
15. The company has not given guarantees for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us and on an overall examination, we report that the company has not availed any term loan during the year under report.
17. Accordingly to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
18. According to the information and explanations given to us, the company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act, 1956.
19. According to the information and explanations given to us, during the period covered by our audit report, the company has not issued any debentures.
20. The company has not raised any money by public issue, during the year.
21. According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

for RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 003246S

PLACE : HYDERABAD.
DATE : May 11,2013

(CA.RAMANA REDDY A.V.)
PARTNER
Membership No.024329

Balance Sheet as at

in Rs.

Particulars	Note No.	31-03-2013	31-03-2012
I. EQUITY AND LIABILITIES			
Shareholder's funds			
(1) (a) Share Capital	1	3,72,03,000	3,72,03,000
(b) Reserves and Surplus	2	18,30,68,495	17,04,98,347
(2) Non-current liabilities			
(a) Long-term borrowings	3	77,005	2,23,826
(b) Long-term provisions	4	3,24,784	55,38,317
(3) Current liabilities			
(a) Trade payables	5	4,41,681	50,67,166
(b) Other current liabilities	6	23,38,387	37,80,312
TOTAL		22,34,53,352	22,23,10,968
II. ASSETS			
(1) Non-current assets			
(a) FIXED ASSETS			
(i) Tangible assets	7	1,11,37,145	1,21,00,506
(b) Non-current investments	8	2,95,66,245	2,95,66,245
(c) Deferred tax assets (Net)	9	3,98,74,612	4,58,50,255
(d) Long-term loans and advances	10	17,39,205	16,49,205
(2) Current assets			
(a) Inventories	11	51,28,186	74,00,284
(b) Trade receivables	12	2,36,67,004	3,28,74,297
(c) Cash and cash equivalents	13	10,71,36,601	8,56,46,623
(d) Short-term loans and advances	14	52,04,354	72,23,553
TOTAL		22,34,53,352	22,23,10,968

See accompanying notes to the financial statements 19

The notes referred to above and additional information thereon form an integral part of the Balance Sheet

This is the Balance Sheet referred
to in our report of even date

for and on behalf of the Board

For M/s. RAMANA REDDY & ASSOCIATES
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director

M.A. ASHOK KUMAR
Director

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329

Hyderabad
May 11, 2013

Profit and Loss Statement for the year ended

Particulars	Note No.	in Rs.	
		31-03-2013	31-03-2012
INCOME			
I. Revenue from operations	15	8,69,99,399	6,90,82,081
II. Other income	16	1,13,36,868	93,74,526
III. Total Revenue		9,83,36,267	7,84,56,607
IV. EXPENSES			
Cost of materials consumed		31,43,037	30,73,870
Purchases of Stock-in-Trade		1,00,62,522	1,70,60,431
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		30,23,604	(30, 55,453)
Employee benefits expense		4,44,73,878	4,32,24,387
Finance costs	17	6,076	8,66,142
Depreciation and amortization expense		17,55,299	16,58,994
Other expenses	18	1,73,26,060	1,72,06,000
Total expenses		7,97,90,476	8,00,34,371
V. Profit / (Loss) before exceptional and extraordinary items and tax		1,85,45,791	(15,77,764)
VI. Exceptional Items		-	-
VII. Profit / (Loss) before and extraordinary items and tax		1,85,45,791	(15,77,764)
VIII. Extraordinary Items		-	-
IX. Profit / (Loss) before tax		1,85,45,791	(15,77,764)
X. Tax expense:			
(1) Current tax		-	-
(2) Deferred tax		(59,75,643)	(9,55,870)
XI. Profit / (Loss) for the period from continuing operations		1,25,70,148	(25,33,634)
XII. Profit / (Loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (Loss) from discontinuing operations (after tax)		-	-
XV. Profit / (Loss) for the period		1,25,70,148	(25,33,634)
XVI. Earnings per equity share:			
(1) Basic		3.38	(0.68)
(2) Diluted		3.38	(0.68)

See accompanying notes to the financial statements 19

The notes referred to above and additional information thereon form an integral part of the Profit and Loss Statement

This is the Profit and Loss Statement referred
to in our report of even date

for and on behalf of the Board

For M/s. RAMANA REDDY & ASSOCIATES
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director

M.A. ASHOK KUMAR
Director

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329

Hyderabad
May 11, 2013

Notes to the Balance Sheet as at

		in Rs.	
		31-03-2013	31-03-2012
1.	SHARE CAPITAL		
	AUTHORISED		
	50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000
	ISSUED, SUBSCRIBED AND PAID UP		
	37,20,300 Equity Shares of Rs.10/- each Fully Paid	3,72,03,000	3,72,03,000
		3,72,03,000	3,72,03,000
	RECONCILIATION OF SHARES OUTSTANDING AT THE BEGINNING AND AT END OF REPORTING PERIOD		
		No of Shares	Value
	At the beginning of the period	37,20,300	3,72,03,000
	Issued during the year	-	-
	Outstanding at the end of period	37,20,300	3,72,03,000
	The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.		
	DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY		
		%	No of shares
	Danlaw Systems India Ltd	35.38	13,16,392
			13,16,392
2.	RESERVES AND SURPLUS		
	Capital Reserve	48,50,000	48,50,000
	Securities Premium Reserve	26,58,07,400	26,58,07,400
	Profit and Loss Account (opening balance)	(10,01,59,053)	(9,76,25,419)
	Add: current year Profit / (Loss)	1,25,70,148	(25,33,634)
		18,30,68,495	17,04,98,347
3.	LONG-TERM BORROWINGS		
	Car Loan- HDFC BANK (Secured by hypothecation)	77,005	2,23,826
		77,005	2,23,826
4.	LONG-TERM PROVISIONS		
	Accrued gratuity	3,24,784	55,38,317
		3,24,784	55,38,317
5.	TRADE PAYABLES		
	Sundry Creditors	4,41,681	50,67,166
	Outstanding dues of micro and small enterprises	-	-
		4,41,681	50,67,166

12.	TRADE RECEIVABLES		
	Unsecured considered good		
	Outstanding for a period exceeding six months	22,24,476	20,47,286
	Others	2,14,42,528	3,08,27,011
		2,36,67,004	3,28,74,297
13.	CASH AND CASH EQUIVALENTS		
	Cash on hand	19,316	14,323
	Balances with banks		
	- in current accounts	54,52,990	18,04,354
	- in EEFC accounts	7,02,401	2,195
	- in deposit accounts with more than 12 months maturity	10,09,61,894	8,08,25,751
	- in deposit accounts with less than 12 months maturity	-	30,00,000
		10,71,36,601	8,56,46,623
14.	SHORT-TERM LOANS AND ADVANCES		
	Unsecured, considered good		
	Advances recoverable in cash or in kind or for value to be received		
	Earnest Money Deposit	1,45,564	31,85,564
	Advances for expenses	5,75,238	4,42,888
	Advances for purchases	6,96,860	5,710
	Prepaid Expenses	1,88,778	2,51,838
	Interest Receivable	12,77,628	11,75,901
	Tax Deduction at Source	17,82,383	19,65,537
	Service tax -input credit	5,37,903	28,916
	VAT- input credit	-	1,67,199
		52,04,354	72,23,553
Notes to the Profit and Loss Statement			
15.	REVENUE FROM OPERATIONS		
	Sale of products	2,76,16,097	2,91,26,038
	Sale of services	5,93,83,302	3,99,56,043
	Other operating revenues	-	-
		8,69,99,399	6,90,82,081
16.	OTHER INCOME		
	Interest Income	88,46,982	53,23,694
	Interest on IT Refund	1,10,033	99,613
	Exchange Gain (net)	23,36,899	38,99,321
	Miscellaneous Income	42,954	51,898
		1,13,36,868	93,74,526
17.	FINANCE COSTS		
	Interest on short terms borrowings from banks	6,076	8,42,108
	Interest on TDS	-	24,034
		6,076	8,66,142

in Rs.

18. OTHER EXPENSES		
Advertisement	50,431	40,406
AGM Expenses	16,500	6,000
Auditors Remuneration	1,33,900	1,26,950
Bank charges and commission	66,076	43,672
Books & Periodicals	14,211	13,678
Business Development Expenses	87,326	1,83,381
Bad debts written off	6,53,641	2,52,174
Depository Registrar Fee	53,773	81,445
Directors sitting fee	1,70,000	1,10,000
Freight outward	1,91,510	2,88,818
Insurance Charges	1,04,842	97,489
Internet Service Charges	1,74,190	1,72,581
Professional Charges	2,01,768	2,65,147
Listing Fee	15,000	15,000
Loss on sale of assets	-	1,28,027
Managerial Remuneration	12,12,405	12,11,099
Membership Fee	14,887	11,595
Miscellaneous Expenses	447	911
Office Maintenance	12,78,266	11,59,163
Postage	29,531	37,928
Power and Fuel	17,19,520	12,84,788
Printing and Stationery	2,24,072	2,40,408
Registration, Licence & Filing Fee	3,09,166	1,46,578
Rent	58,66,112	51,74,015
Rates & Taxes	2,96,359	3,10,648
Sales commission	-	12,19,900
Sub-contract works	8,35,884	9,66,751
Telephone expense	3,94,812	4,43,200
Travel and Conveyance	32,11,431	31,74,248
	1,73,26,060	1,72,06,000

19. Additional Information

19.1 Disclosure of Accounting Policies

19.1.1 Basis for preparation of financial statements

The financial statements have been prepared under the historical convention and as a going concern as per the Generally Accepted Accounting Principles and the Provisions of the Companies Act, 1956. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

19.1.2 Revenue recognition

Revenue from software services is recognized on software developed and billed to clients as per terms of specific contracts. In the case of fixed-price contracts, revenue is recognized based on the work completed. Revenue from sale of products is recognised when significant risks and rewards of ownership of goods have passed to the buyer and is disclosed net of Sales Tax, discounts and returns, as applicable.

19.1.3 Expenditure

Expenses are accounted on accrual basis.

19.1.4 Fixed assets

Fixed assets are stated at the cost of acquisition, less accumulated depreciation. Cost comprises of purchases and attributable cost.

19.1.5 Inventory

Inventory is valued at cost and work-in-progress is valued at cost or realizable value whichever is less.

19.1.6 Depreciation

Depreciation on fixed assets is provided on pro-rata basis on straight-line method at the rates specified in Schedule XIV of the Companies Act 1956.

19.1.7 Foreign currency transactions

In the case of sales/services made to clients outside India, income is accounted on the basis of the exchange rate as on the date of the transaction. Adjustments are made for any variations in the sale proceeds on conversion into India currency upon actual receipt.

In the case of expenditure in foreign currency, the expenses are accounted on the basis of exchange rate as on the date of the transaction. In case expenses are met out of EEFC accounts, the same is accounted for the rate at which the EEFC funds are maintained in the books of account.

19.1.8 Investments

Long-term investments are stated at cost. The short-term investments are valued and carried at cost or fair value whichever is lower. Provision will be made for decline, other than temporary, in the value of investments.

19.1.9 Segment reporting

The company's sales are basically related to providing software services delivered to customers situated at USA. Hence the primary and secondary segment reporting is based on the software development services to USA only.

19.1.10 Cash Flow Statement

Cash flow statement is prepared to report the cash flows during the period classified by operating, investing and financing activities.

19.1.11 Accounting for Taxes

Current income tax expense is determined in accordance with the provisions of the Income Tax Act, 1961. Minimum alternative tax (MAT) in accordance with tax laws is recognised as an asset which will be adjusted against future income tax liability.

Deferred tax expense or benefit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or

more subsequent period. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

19.1.12 Earnings per share (EPS)

EPS is calculated in accordance with Accounting Standard 20 (AS20) by dividing the net profit or loss for the period attributable to equity shareholders with the weighted average number of equity shares outstanding.

19.1.13 Retirement Benefits

Gratuity: Liability towards gratuity is provided on the basis of actuarial valuation made by an independent actuary and is funded through Gratuity Trust in the LIC group gratuity scheme with insurance cover.

Provident Fund : Contributions paid to prescribed authority are charged to revenue every year.

19.2. Notes to Accounts

Year ended March, 31	2013	2012
Employee Benefit Expense		
Salaries & wages	4,01,48,381	3,82,53,383
Contribution to Provident Fund	19,69,753	19,46,551
Contribution to ESI	63,307	1,11,888
Gratuity	4,44,968	12,60,205
Group gratuity insurance	43,126	-
Group medical insurance	3,46,906	3,33,780
Overseas medical insurance	13,000	42,000
Reimbursement of medical expense	1,54,316	88,976
Perquisites	80,000	-
Staff Recruitment and Training	95,354	1,35,755
Staff welfare expense	11,14,767	10,51,849
	4,44,73,878	4,32,24,387
19.2.2 Exchange Gain:		
Net gain on foreign currency transaction and transalation	23,36,899	38,99,321
19.2.3 Payments to auditor		
Statutory audit fees	1,10,000	1,00,000
Taxation matters	0	10,000
Certification fees	21,500	16,500
Out of pocket expenses	2,400	450
	1,33,900	1,26,950
19.2.4 Purchases/Sales/Consumption under broad heads		
a) Automotive/industrial hardware		
Purchase of electronic components for hardware	18,77,641	19,49,674
Consumption	16,14,967	25,50,472
Sales of electronic hardware (exports)	39,49,719	54,19,992
b) Electronic Hardware		
Purchase of electronic components for hardware	10,03,052	-

Consumption	8,02,098	-
Sales of electronic hardware (Domestic)	45,38,453	-
c) Traded goods		
Purchases		
1) Access control and Time & Attendance systems	61,31,421	65,56,561
2) CCTV systems	24,23,822	70,90,431
3) Fire Alarm systems	11,66,768	19,59,635
4) Intruder detection Systems	27,406	8,88,791
5) Public address Systems	2,42,328	5,65,013
6) Tracking Systems	70,777	-
	1,00,62,522	1,70,60,431
Cost of goods sold		
1) Access control and Time & Attendance systems	61,12,591	70,69,452
2) CCTV systems	36,23,360	55,39,022
3) Fire Alarm systems	27,43,313	3,04,149
4) Intruder detection Systems	25,098	8,26,106
5) Public address Systems	5,11,952	2,66,249
6) Tracking Systems	-	-
	1,30,16,314	1,40,04,978
Sales		
1) Access control and Time & Attendance systems	90,34,670	1,19,66,611
2) CCTV systems	52,89,028	91,85,012
3) Fire Alarm systems	39,18,605	5,12,853
4) Intruder detection Systems	78,122	14,69,347
5) Public address Systems	8,07,500	5,72,223
6) Tracking Systems	-	-
	1,91,27,925	2,37,06,046
c) Services		
1) Export sales of software services (automotive domain)	5,52,77,181	3,41,46,659
2) Domestic software services (Information Technology)	4,20,900	6,39,755
3) Placement services (Man power supply)	2,72,194	5,62,090
4) Annual maintenance services	21,79,069	28,20,764
5) Service calls	1,10,217	42,300
6) Installation services	11,23,741	17,44,475
	5,93,83,302	3,99,56,043
19.2.5 Consumption of stores and spare parts	7,25,972	5,23,398
Power and fuel	17,19,520	12,84,788
Rent	58,66,112	51,74,015
Repairs to machinery	2,13,335	2,72,940
Insurance	1,04,842	1,39,489
Rates and taxes	2,96,359	3,10,648
Miscellaneous expenses	447	911

19.2.6	Value of imports on C.I.F basis (Forex Outflow)		
	Raw materials	20,35,101	17,71,815
	Components and spare parts	1,54,115	18,064
	Traded goods	51,65,768	28,90,795
	Capital goods	5,43,791	11,45,832
		78,98,775	58,26,506
19.2.7	Expenditure in foreign currency		
	Travel	1,25,623	1,39,879
19.2.8	a) Total value of imported raw materials, components consumed	13,76,586	17,89,879
	b) Total value of indigenous raw materials, components consumed	17,66,451	12,83,991
	Total consumption	31,43,037	30,73,870
	Percentage to the total consumption		
	Imports	43.80%	58.23%
	Indigenous	56.20%	41.77%
19.2.9	Earnings in foreign exchange (Forex Inflow)		
	Exports	5,92,26,900	3,95,66,651
19.2.10	Taxes on Income as per Accounting Standard 22 a) In accordance with the Accounting Standard (AS)22 relating to "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, an amount of Rs.6,09,906/- has been recognized as Deferred Tax Liability accrued during the year and Rs.3,45,964/- as Deferred Tax Liability on time barred carry forward loss. Thus net Deferred Tax Liability of Rs.9,55,870/- charged in Profit & Loss Account		
	b) Major components of deferred tax assets on accounting of timing differences are -		
	Fixed Assets	(27,82,764)	4,57,612
	Others	(31,92,879)	(14,13,482)
	Total	(59,75,643)	(9,55,870)
19.2.11	Managerial Remuneration		
	The following managerial remuneration was paid to the Managing Director as per board of director's decision and approved by shareholders.		
	Salary	10,80,000	10,80,000
	Contribution to PF	1,29,600	1,29,600
	Medical	2,805	1,499
	Total	12,12,405	12,11,099
19.2.12	Contingent Liabilities:		
	Bank Guarantees	9,54,503	3,44,417
19.2.13	Earnings per share:		
	Profit / (Loss) for the period	1,25,70,148	(25,33,634)
	Number of equity shares outstanding at the beginning of the period fully paid (Rs.10 per share)	37,20,300	37,20,300
	Number of equity shares outstanding at the end of the period fully paid (Rs.10 per share)	37,20,300	37,20,300
	Weighted average number of equity shares outstanding	37,20,300	37,20,300
	EPS	3.38	(0.68)

19.2.14 Disclosure under Macro, Small and Medium Enterprises Development Act, 2006 There are no Micro, Small Scale Business Enterprises to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2013. This information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.

19.2.15 The Company has overdraft facility with HDFC Bank Ltd to the extent of Rs.2.70 crores against the security of Company's term deposits of Rs.3.00 crores with them.

19.2.16 Related Party Transaction

	Related Party	Transactions for the year ended March 31		Balance as at March 31	
		2013	2012	2013	2012
	Sales & Services Danlaw Technologies Inc	5,92,26,900	3,92,67,456	1,76,10,430	2,47,09,207
	Remuneration Raju S Dandu	12,12,405	12,11,099	-	-
	Lease Rentals D Lakshmi DSN Raju Lakshmi Dandu	24,53,850 24,53,850 6,00,000	25,77,714 25,77,714 -	4,23,658 4,23,658 45,000	3,96,088 3,71,412 -
	Investments Danlaw Technologies Inc	-	-	2,95,66,245	2,95,66,245
19.2.17	Notes on accounts The previous year's figures have been regrouped, reclassified / restated, wherever necessary, to conform to the current year's classification.				

Signatures to Notes 1 to 19

for and on behalf of the Board

For M/s. RAMANA REDDY & ASSOCIATES
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director

M.A. ASHOK KUMAR
Director

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329

Hyderabad
May 11, 2013

Statement of cash flows for the year ended March 31

	in Rs.	
	31-03-2013	31-03-2012
Cash flows from operations		
Profit from operations	1,85,45,791	(15,77,764)
Depreciation and depletion	17,55,299	13,48,777
Decrease (increase) in trade receivables	92,07,293	4,32,87,442
Decrease (increase) in loans and advances	19,29,199	95,23,069
Decrease (increase) in inventory	22,72,098	(25,37,401)
Increase (decrease) in current liabilities	(60,67,410)	17,74,395
Increase (decrease) in provisions	(52,13,533)	(3,09,367)
Net cash from operations	2,24,28,737	5,15,09,151
Cash flows from financing		
Secured loans	(1,46,821)	(2,49,29,913)
Net cash from financing	(1,46,821)	(2,49,29,913)
Cash flows from investing		
Proceeds of sale of fixed assets	0	0
Purchase of Fixed Assets	(7,91,938)	(23,98,281)
Net cash from investing	(7,91,938)	(23,98,281)
Total increase (decrease) in cash and equivalents during the year	2,14,89,978	2,41,81,497
Cash and equivalents at the beginning of the year	8,56,46,623	6,14,65,126
Cash and equivalents at the end of the year	10,71,36,601	8,56,46,623

These are the Cash Flow Statements referred to in our report of even date

for and on behalf of the Board

For M/s. RAMANA REDDY
& ASSOCIATES
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director

M.A. ASHOK KUMAR
Director

(CA.RAMANA REDDY A.V)
Partner
Membership No: 024329

Hyderabad
May11, 2013

**Statement Pursuant To Section 212 Of The Companies Act, 1956 Relating To The
Company's Interest In Subsidiary Company**

Name of the Subsidiary : Danlaw Technologies Inc
 Financial year of the Subsidiary : April 2012 to March 2013
 Extent of holding Company's interest : 100%

DANLAW TECHNOLOGIES INC.

DIRECTORS' REPORT

Your directors take pleasure in presenting the financial results of the company for the year 2012-2013.

No.	Particulars	In USD		Rs. in lakhs	
		2012-13	2011-12	2012-13	2011-12
1	Revenue	1,773,371	1,277,809	965.60	618.18
2	Cost of Sales	1,498,018	1,135,829	815.71	548.48
3	Gross Profit	275,353	141,980	149.89	69.70
4	General and Administrative Expenses	29,274	39,442	15.93	18.84
5	Income from Operation	246,079	102,538	133.96	50.86
6	Impairment of Goodwill	205,000	-	111.07	-
7	Income before Taxes	41,079	102,538	22.89	50.86
8	MI State Corporate Income Tax	9,200	2,585	4.98	1.30
9	Net Income	31,879	99,953	17.91	49.56
10	Paid up equity share capital	640,000	640,000	295.66	295.66

Revenue has increased by 39% in dollar terms and 56% in Rupee terms over previous year. Operating Profit has increased by 140% in dollar terms and 163% in Rupee terms. The Company recognized an impairment loss of \$205,000 for goodwill due to declining revenue and losses incurred by the billing services division.

Raju S Dandu

President

**CERTIFIED PUBLIC ACCOUNTANT CERTIFICATE
ON WHOLLY OWNED SUBSIDIARY**

GRANT, MILLMAN & JOHNSON, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
AND BUSINESS CONSULTANTS
38475 W. THIRTEEN MILE ROAD, SUITE 200
NOVI, MICHIGAN 48334-2266

Independent Accountants' Review Report

To the Board of Directors
Danlaw Technologies, Inc.
Farmington Hills, Michigan

We have reviewed the accompanying balance sheets of Danlaw Technologies, Inc (a wholly owned subsidiary of Danlaw Technologies India, Ltd.) as of March 31, 2013 and 2012, and the related statements of operations, stockholder's equity and cash flows for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

GRANT, MILLMAN & JOHNSON, P.C.

April 25, 2013

DANLAW TECHNOLOGIES, INC.
BALANCE SHEETS
March 31, 2013 and 2012

ASSETS

	2013	2012
Current Assets:		
Cash	\$ 32,042	\$ 11,182
Accounts Receivable	25,756	53,835
Accounts Receivable - Affiliate	379,934	281,705
Payroll Advances	900	-
Inventory	4,750	6,175
Total Current Assets	443,382	352,897
Property and Equipment:		
Computer Equipment	11,549	16,549
Office Furniture and Equipment	8,830	8,830
	20,379	25,379
Less: Accumulated Depreciation	(19,067)	(23,104)
Total Property and Equipment	1,312	2,275
Other Assets:		
Goodwill	-	205,000
TOTAL ASSETS	\$ 444,694	\$ 560,172

LIABILITIES AND STOCK HOLDER'S EQUITY

Current Liabilities:		
Accounts Payable - Affiliate	\$ 11,517	\$ 12,025
Accounts Payable - Other	1,050	274
Accounts Payable - Parent	328,921	492,408
Accrued Payroll and Payroll Taxes	6,266	5,886
Accrued State Taxes	6,965	2,500
Deposits	11,017	-
Total Current Liabilities	365,736	513,093
Stockholder's Equity:		
Common Stock - \$10 Par Value; 34,000 Shares		
Authorized, Issued and Outstanding	340,000	340,000
Additional Paid-in Capital	300,000	300,000
Accumulated Deficit	(561,042)	(592,92)
Total Stockholder's Equity	78,958	47,079
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	\$ 444,694	\$ 560,172

See accompanying notes and independent accountants' review report.

DANLAW TECHNOLOGIES, INC.
STATEMENTS OF OPERATIONS
For the Years Ended March 31, 2013 and 2012

	2013	2012
Revenue:		
Automotive Electronics	\$ 1,343,306	\$ 898,806
Placement Services	276,660	190,350
ESAP sp Sales	153,405	188,653
Total Revenue	1,773,371	1,277,809
Cost of Sales:		
Subcontract Work - Parent	1,031,101	701,193
Subcontract Work - Affiliate	7,500	10,300
Cost of Products - Parent	75,275	109,175
Other	13	239
Engineering Salaries	178,632	114,246
Billing Salaries	143,315	143,635
Payroll Taxes	27,064	23,592
Employee Benefits	35,118	26,667
Immigration Expenses	-	6,782
Total Cost of Sales	1,498,018	1,135,829
Gross Profit	275,353	141,980
General and Administrative Expenses:		
Business Development	339	654
Travel & Lodging	82	5,718
Payroll Preparation	2,698	2,069
Telephone	5,149	4,801
Meals & Entertainment	-	33
Professional Services	3,925	3,850
Server Hosting	4,200	4,200
Insurance	500	579
Repairs & Maintenance	224	1,245
Office Supplies and Expenses	3,167	4,534
Bank Charges	385	435
Depreciation	963	2,360
Other	7,642	8,964
Total General and Administrative Expenses	29,274	39,442
Income from Operations	246,079	102,538
Goodwill Impairment	205,000	-
Income Before Taxes	41,079	102,538
State Income Tax	9,200	2,585
NET INCOME	\$ 31,879	\$ 99,953

See accompanying notes and independent accountants' review report.



DANLAW TECHNOLOGIES, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
For the Years Ended March 31, 2013 and 2012

	Accumulated Deficit	Additional Paid-in Capital	Common Stock	Total
Balance March 31, 2011	\$ (692,874)	\$ 300,000	\$ 340,000	\$ (52,874)
Net Income	99,953	-	-	99,953
Balance March 31, 2012	(592,921)	300,000	340,000	47,079
Net Income	31,879	-	-	31,879
Balance March 31, 2013	\$ (561,042)	\$ 300,000	\$ 340,000	\$ 78,958

STATEMENTS OF CASH FLOWS
For the Years Ended March 31, 2013 and 2012

	2013	2012
Cash Flows From Operating Activities:		
Net Income	\$ 31,879	\$ 99,953
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Depreciation	963	2,360
Goodwill Impairment	205,000	-
Changes in Operating Assets and Liabilities:		
Accounts Receivable	(70,150)	803,557
Payroll Advances	(900)	-
Inventory	1,425	(1,425)
Accounts Payable	(163,219)	(894,106)
Accrued Payroll and Payroll Taxes	380	3,866
Accrued State Income Tax	4,465	2,500
Deposits	11,017	-
Net Cash Provided by Operating Activities	20,860	16,705
Cash Flows from Investing Activities:		
Loan Repayment	-	(20,000)
Increase (Decrease) in Cash	20,860	(3,295)
Cash at Beginning of Year	11,182	14,477
Cash at End of Year	\$ 32,042	\$ 11,182

See accompanying notes and independent accountants' review report.

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements
March 31, 2013 and 2012

NOTE 1- Summary of Accounting Policies :

Business Activity

The Company is in the business of providing engineering and software development consulting services. Danlaw Technologies, Inc. (DTI) is a wholly owned subsidiary of Danlaw Technologies India, Ltd., a foreign corporation organized in India. DTI was incorporated in September 2001 to market engineering and information technology services to customers in the United States of America.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition Policy

The Company's policy is to recognize revenue as services are provided. Revenue is calculated based on the hours of service provided at contractual rates and adjusted for expected realization upon final invoicing.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. Cash includes amounts in corporate bank accounts, which may exceed the Federal Deposit Insurance Corporation insurance limit.

Accounts Receivable and Concentration of Credit Risk

At March 31, 2013 and 2012, the Company's accounts receivable were due mainly from affiliates and concentrated in the automotive supplier and manufacturer market. Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable.

Depreciation

The Company depreciates its property and equipment using declining balance and straight-line methods over estimated useful lives ranging from three to seven years for financial reporting purposes.

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements (continued)
March 31, 2013 and 2012

NOTE 1- Summary of Accounting Policies (Continued):

Income Taxes

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial tax reporting. Deferred taxes represent the future tax return consequences of those differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Federal income taxes are reflected in the financial statements in accordance with FASB ASC 740. The Company has adopted the provisions of FASB ASC Section 740 regarding uncertain tax positions. As a result, the Company recognizes tax benefits of tax positions that have a greater than fifty percent likelihood of being sustained upon examination by taxing authorities. The effect of adopting this provision was not material. The Company's policy is to recognize interest and penalties related to income tax issues as components of interest income or expense.

Goodwill

Goodwill is recognized for the excess of the purchase price of businesses acquired over the fair value of net assets acquired. Goodwill is reviewed annually for impairment of stated value. During 2013, the Company recognized an impairment loss of \$205,000 for goodwill due to declining revenue and losses incurred by the billing services division.

Subsequent Events

Management has evaluated events and transactions through April 25, 2013, the date the financial statements were available to be issued.

NOTE 2- Income Taxes:

There is no provision for current Federal income taxes included in the 2013 or 2012 statement of operations due to the net operating losses available to offset taxable income. The provision for state income tax is based on taxes assessed at statutory rates.

Management has reviewed the Company's tax positions and concluded that there are no significant uncertain tax positions that are required to be recognized in the financial statements. The Company does not have any unrecognized tax benefits which would impact the effective income tax rate. The total amount of interest and penalties relating to income taxes was not material.

The Company files income tax returns with various federal and state tax jurisdictions. Tax returns filed with the Internal Revenue Service for the years 2010 - 2012 are subject to examination. Tax returns filed with the various states for the years 2009 - 2012 are subject to examination.

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements (continued)
March 31, 2013 and 2012

NOTE 2 - Income Taxes (Continued):

The deferred tax asset at March 31 is as follows:

	2013	2012
Deferred income tax		
Benefit of net operating loss carry over	\$ 151,000	\$ 227,000
Goodwill	35,000	(29,000)
Valuation allowance	(186,000)	(198,000)
Total Deferred Income Tax	\$ -	\$ -

For income tax purposes at March 31, 2013, the Company has net operating loss carryovers which expire as follows:

Fiscal Years Ended March 31	
2027	\$ 45,000
2028	\$ 268,000
2029	\$ 129,000

NOTE 3 - Related Party Transactions:

The Company is related by common ownership to Danlaw Technologies India Ltd. and by common management to Danlaw Inc. The following schedule summarizes transactions and outstanding balances with the related entities:

Transactions For The Year Ended March 31:

	2013	2012
<u>Sales</u>		
Danlaw Inc.	\$ 1,539,221	\$ 975,551
<u>Purchases</u>		
Danlaw Technologies India, Ltd.	\$ 1,104,951	\$ 811,793
Danlaw, Inc.	\$ 7,500	\$ 10,300
<u>Administration Fees</u>		
Danlaw, Inc.	\$ 6,200	\$ 6,200

DANLAW TECHNOLOGIES, INC.
Notes To Financial Statements (continued)
March 31, 2013 and 2012

NOTE 3- Related Party Transactions (Continued):

Balances as of March 31:

	2013	2012
<u>Accounts Receivable</u>		
Danlaw Inc.	\$ 379,934	\$ 281,705
 <u>Accounts Payables</u>		
Danlaw Technologies India, Ltd.	\$ 328,921	\$ 492,408
Danlaw Inc.	\$ 11,517	\$ 12,025

NOTE 4- Lease Commitments

The Company rented office space on a month-to-month basis. For the year ended March 31, 2012, rent paid was \$1,800.

NOTE 5- Retirement Plan

The Company maintains a 401(k) Profit Sharing Plan available to all employees meeting certain age and service requirements. The plan allows employees to contribute up to 15% of their salary to the plan, subject to Internal Revenue Code limitations. The Company may elect to match a portion of the employees' contributions to the plan and may contribute additional amounts at its discretion. There were no employer contributions for the years ended March 31, 2013 and 2012.

NOTE 6 - Reclassification

The presentation of certain expenses in the 2012 statement of operations has been reclassified from the previously issued financial statement in order to be consistent with the 2013 presentation.

INDEPENDENT AUDITOR'S REPORT

To
The Board of Directors of M/s. Danlaw Technologies India Limited
Hyderabad.

We have audited the accompanying consolidated financial statements of **M/s. Danlaw Technologies India Limited**, ("the Company") and its subsidiary, Danlaw Technologies, Inc., which comprise the consolidated balance sheet as at 31st March, 2013, the consolidated statement of profit and loss and the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

We did not audit the financial statements of the subsidiary, Danlaw Technologies, Inc., which have been reviewed by M/s Grant, Millman & Johnson, P.C., Michigan State, USA. The report of the Certified Public Accountant has been furnished to us, and our opinion, in so far as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the CPA. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

for RAMANA REDDY & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN: 003246S

Place:Hyderabad
Date: May 11, 2013

(CA.RAMANA REDDY A.V.)
PARTNER
MEMBERSHIP No. 024329

Consolidated Balance Sheet as at

		<i>in Rs.</i>	
Particulars	Note No.	31-03-2013	31-03-2012
1. EQUITY AND LIABILITIES			
Shareholders Funds			
(1) (a) Share Capital	1	3,72,03,000	3,72,03,000
(b) Reserves and Surplus	2	16,76,88,102	15,32,15,142
(2) Non-current liabilities			
(a) Long-term borrowings	3	77,005	2,23,826
(b) Long-term provisions	4	3,24,784	55,38,317
(3) Current liabilities			
(a) Trade payables	5	11,01,615	56,70,341
(b) Other current liabilities	6	32,76,622	40,89,348
(c) Short-term provisions	7	3,72,906	1,25,400
TOTAL		21,00,44,034	20,60,65,374
II. ASSETS			
(1) Non-current assets			
(a) FIXED ASSETS			
(i) Tangible assets	8	1,12,07,390	1,22,14,620
(ii) Intangible assets	9	-	1,02,82,800
(b) Deferred tax assets (Net)	10	4,98,33,052	5,57,81,935
(c) Long-term loans and advances	11	17,39,205	16,49,205
(2) Current assets			
(a) Inventories	12	53,82,501	77,10,022
(b) Trade receivables	13	2,77,77,216	2,49,95,727
(c) Cash and cash equivalents	14	10,88,52,130	8,62,07,512
(d) Short-term loans and advances	15	52,52,540	72,23,553
TOTAL		21,00,44,034	20,60,65,374

See accompanying notes to the financial statements 20

The schedules referred to above and the notes thereon form an integral part of the Balance Sheet

This is the Balance Sheet referred to in our report of even date

for and on behalf of the Board

For **M/s. RAMANA REDDY & ASSOCIATES**
Chartered Accountants
 FRN: 003246S

RAJU S DANDU
 Chairman &
 Managing Director

M.A. ASHOK KUMAR
 Director

(CA. RAMANA REDDY A.V.)
 Partner
 Membership No: 024329
 Hyderabad
 May 11, 2013

Consolidated Profit and Loss Statement for the period ended

in Rs.

Particulars	Note No.	31-03-2013	31-03-2012
III. INCOME			
I. Revenue from operations	16	12,33,03,395	9,17,66,673
II. Other income	17	1,13,36,868	93,74,526
III. Total Revenue		13,46,40,263	10,11,41,199
IV. EXPENSES			
Cost of materials consumed		31,43,037	30,75,609
Purchases of Stock-in-Trade		1,00,62,522	1,70,60,431
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		30,23,604	(30, 55,453)
Employee benefits expense		6,53,78,983	5,84,35,124
Finance costs	18	6,076	8,66,142
Depreciation and amortization expense		18,08,059	17,67,716
Other expenses	19	1,97,73,770	1,96,13,232
Total expenses		10,31,96,051	9,77,62,801
V. Profit before exceptional and extraordinary items and tax		3,14,44,212	33,78,398
VI. Exceptional Items		1,11,06,900	-
VII. Profit before extraordinary items and tax		2,03,37,312	33,78,398
VIII. Extraordinary Items			
IX. Profit before tax		2,03,37,312	33,78,398
X. Tax expense:			
(1) Current tax			
(2) Deferred tax		(66,36,891)	12,69, 071
XI. Profit for the period from continuing operations		1,37,00,421	46,47,469
XII. Profit / (loss) from discontinuing operations		-	-
XIII. Tax expense of discontinuing operations		-	-
XIV. Profit / (loss) from discontinuing operations after tax		-	-
XV. Profit for the period		1,37,00,421	46,47,469
XVI. Earnings per equity share:			
(1) Basic		3.68	1.25
(2) Diluted		3.68	1.25
See accompanying notes to the financial statements	20		

The schedules referred to above and the notes thereon form an integral part of the Profit & Loss Statement
This is the Profit & Loss Statement referred for and on behalf of the Board
to in our report of even date

For M/s. **RAMANA REDDY & ASSOCIATES**
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director

M.A. ASHOK KUMAR
Director

(CA. RAMANA REDDY A.V.)
Partner
Membership No: 024329
Hyderabad
May 11, 2013

Notes to the Consolidated Balance Sheet as at

		in Rs.	
		31-03-2013	31-03-2012
1. SHARE CAPITAL			
AUTHORISED			
50,00,000 Equity Shares of Rs.10/- each	5,00,00,000	5,00,00,000	
ISSUED, SUBSCRIBED AND PAID UP			
37,20,300 Equity Shares of Rs.10/- each Fully Paid	3,72,03,000	3,72,03,000	
	3,72,03,000	3,72,03,000	
2. RESERVES AND SURPLUS			
Capital Reserve	48,50,000	48,50,000	
Securities Premium Reserve	26,58,07,400	26,58,07,400	
Exchange Conversion Reserve	9,48,137	1,75,598	
Profit and Loss Account (opening balance)	(11,76,17,856)	(12,22,65,325)	
Add: current year Profit / Loss	1,37,00,421	46,47,469	
	16,76,88,102	15,32,15,142	
3. LONG-TERM BORROWINGS			
Car loan- HDFC Bank (Secured by hypothecation)	77,005	2,23,826	
	77,005	2,23,826	
4. LONG-TERM PROVISIONS			
Accrued Gratuity	3,24,784	55,38,317	
	3,24,784	55,38,317	
5. TRADE PAYABLES			
Sundry Creditors	11,01,615	56,70,341	
Outstanding dues of micro and small enterprises	-	-	
	11,01,615	56,70,341	
6. OTHER CURRENT LIABILITIES			
Current maturities of long-term borrowings	1,46,821	1,46,821	
Advances from customers	8,12,897	19,96,625	
Other liabilities	23,16,904	19,45,902	
	32,76,622	40,89,348	
7. SHORT-TERM PROVISIONS			
Accrued State Taxes	3,72,906	1,25,400	
	3,72,906	1,25,400	

Notes to the Consolidated Balance Sheet as at (continued)

in Rs.

8. Notes to the Consolidated Balance Sheet as at

Assets	Gross Block				Depreciation				Net Block	
	Cost as at 31-03-2012	Additions during the year	Deductions during the year	Cost as at 31-03-2013	Total upto 31-03-2012	For the year	Deductions during the year	As at 31-03-2013	As at 31-03-2013	As at 31-03-2012
Additions to Leasehold premises	14,84,850	-	-	14,84,850	2,84,451	24,203	-	3,08,654	11,76,196	12,00,399
Computers & software	3,22,47,728	4,82,785	-	3,27,30,513	3,01,26,766	5,31,585	-	3,06,58,351	20,72,162	21,20,962
Office Equipment	16,05,123	-	-	16,05,123	8,08,988	94,615	-	9,03,603	7,01,520	7,96,135
Electrical Equipment	13,22,173	8,150	-	13,30,323	6,19,781	44,709	-	6,64,490	6,65,833	7,02,392
Lab Equipment	29,97,347	3,01,003	-	32,98,350	6,98,931	1,55,458	-	8,54,389	24,43,961	22,98,416
D G Set	2,94,616	-	-	2,94,616	1,78,183	13,994	-	1,92,177	1,02,439	1,16,433
Elevator	3,25,123	-	-	3,25,123	1,86,605	15,443	-	2,02,048	1,23,075	1,38,518
Air-conditioners	16,36,508	-	-	16,36,508	9,09,456	77,734	-	9,87,190	6,49,318	7,27,052
Furniture & Fixtures	62,31,392	-	-	62,31,392	46,49,439	3,93,368	-	50,42,807	11,88,585	15,81,953
Office Interiors	19,17,818	-	-	19,17,818	10,24,885	91,096	-	11,15,981	8,01,837	8,92,933
Vehicles	32,95,726	-	-	32,95,726	17,70,413	3,13,094	-	20,83,507	12,12,219	15,25,313
WOS Equipment	12,73,011	-	1,81,919	10,91,092	11,58,897	52,760	1,90,810	10,20,847	70,245	1,14,114
Grand Total	5,46,31,415	7,91,938	1,81,919	5,52,41,434	4,24,16,795	18,08,059	1,90,810	4,40,34,044	1,12,07,390	1,22,14,620
Previous Year	5,20,94,057	30,85,603	5,48,245	5,46,31,415	4,08,35,963	17,67,716	1,86,884	4,24,16,795	1,12,58,094	1,18,46,049

9. INTANGIBLE ASSETS

Goodwill	-	1,02,82,800
	-	1,02,82,800

10. DEFERRED TAX ASSET (NET)

Fixed Assets	11,42,633	39,25,397
Others	4,86,90,419	5,18,56,538
	4,98,33,052	5,57,81,935

11. LONG-TERM LOANS AND ADVANCES

Secured, considered Good:		
Rent deposits	12,70,000	11,80,000
Deposits with Government Agencies	4,69,205	4,69,205
	17,39,205	16,49,205

Notes to the Consolidated Balance Sheet as at

	in Rs.	
	31-03-2013	31-03-2012
12. INVENTORIES		
(Valued at cost basis)		
Finished goods	2,54,315	3,09,738
Stock-in-trade	42,55,311	72,78,915
Stores and spares	8,72,875	1,21,369
	53,82,501	77,10,022
13. TRADE RECEIVABLES		
Unsecured considered Good		
Outstanding for a period exceeding six months	22,24,476	20,47,286
Others	2,55,52,740	2,29,48,441
	2,77,77,216	2,49,95,727
14. CASH AND CASH EQUIVALENTS		
Cash on hand	19,316	14,323
Balances with banks		
- in current accounts	71,68,519	23,65,243
- in EEFC accounts	7,02,401	2,195
- in deposit accounts with more than 12 months maturity	10,09,61,894	8,08,25,751
- in deposit accounts with less than 12 months maturity	-	30,00,000
	10,88,52,130	8,62,07,512
15. SHORT-TERM LOANS AND ADVANCES		
Unsecured, considered Good		
Advances recoverable in cash or in kind or for value to be received		
Earnest Money Deposit	1,45,564	31,85,564
Advances for expenses	6,23,424	4,42,888
Advances for purchases	6,96,860	5,710
Prepaid Expenses	1,88,778	2,51,838
Interest Receivable	12,77,628	11,75,901
Tax Deduction at Source	17,82,383	19,65,537
Service tax -input credit	5,37,903	28,916
VAT - input credit	-	1,67,199
	52,52,540	72,23,553

Notes to the Consolidated Profit and Loss Statement

16. REVENUE FROM OPERATIONS		
Sale of products	2,80,58,102	3,00,82,964
Sale of services	9,52,45,293	6,16,83,709
	12,33,03,395	9,17,66,673

	in Rs.	
	31-03-2013	31-03-2012
17. OTHER INCOME		
Interest Income	88,46,982	53,23,694
Interest on IT Refund	1,10,033	99,613
Exchange Gain (net)	23,36,899	38,99,321
Miscellaneous Income	42,954	51,898
	113,36,868	93,74,526
18. FINANCE CONSTS		
Interest on short terms borrowings from banks	6,076	8,42,108
Interest on TDS	-	24,034
	6,076	8,66,142
19. OTHER EXPENSES		
Advertisement	50,431	40,406
AGM Expenses	16,500	6,000
Auditors Remuneration	3,46,557	3, 20,259
Bank charges and commission	87,017	64,294
Books & Periodicals	14,211	13,678
Business Development Expenses	1,05,778	2,18,439
Bad debts written off	6,53,641	2,52,174
Depository Registrar Fee	53,773	81,445
Directors sitting fee	1,70,000	1,10,000
Freight outward	1,92,220	2,98,733
Insurance Charges	1,31,932	1,26,561
Internet Service Charges	4,02,786	3,73,510
Professional Charges	3,48,609	3,65,221
Listing Fee	15,000	15,000
Loss on sale of assets	-	1,28, 027
Managerial Remuneration	12,12,405	12,11,099
Membership Fee	14,887	11,595
Miscellaneous Expenses	447	911
Office Maintenance	18,00,302	17,28,895
Postage	1,07,226	1,40,571
Power and Fuel	17,19,520	12,84,788
Printing and Stationery	2,24,072	2,40,408
Registration, Licence & Filing Fee	3,09,708	1,70,734
Rent	58,66,112	51,74,015
Rates & Taxes	7,94,848	4,40,441
Sales commission		12,19,900
Sub-contract works	12,44,722	14,58,827
Telephone expense	6,75,114	6,73,037
Travel and Conveyance	32,15,952	34,44,264
	1,97,73,770	1,96,13,232

20. Additional Information for the consolidated financial statements

20.1 Significant Accounting Policies and Notes On Accounts:

20.1.2 Scope of Business units

Danlaw Technologies India Limited is a company engaged in providing technology services in the area of engineering services, internet, developing software products, software services and security solutions for the clients. The Company has also entered into the business of biometric products providing security solutions to the clients. The Company has a single subsidiary at USA in the name of 'Danlaw Technologies Inc' for promoting the services provided by the Danlaw Technologies India Limited to USA clients. The subsidiary is wholly owned by the company by virtue of its total holding of equity of the subsidiary. The Danlaw Technologies Inc (DTI) is basically engaged in providing Engineering software development and consultancy services to USA clients. The wholly owned subsidiary of the company together with the parent shall hereinafter be referred as Danlaw for the purposes of consolidated accounts. The accounting year of the parent company and the US subsidiary is the same i.e. from April 1st to March 31st every year.

20.1.3 Basis for consolidation of financial statements

The consolidation of financial statements of Danlaw has been made as per the Generally Accepted Accounting Principles and the Provisions of the Accounting Standard 21 issued by the Institute of Chartered Accountants of India. The consolidation of accounts of Danlaw took place based on the audited financial statements of the parent by the statutory auditors of the company and reviewed financial statements of the subsidiary by the Certified Public Accounts of Michigan State. While consolidation inter company balances and transactions are eliminated in full. The consolidation is based on the concepts of accrual, going concern and conservatism. All income and expenditure having a material bearing on the financial statements are recognized on the accrual basis.

20.1.4 Revenue recognition

Revenue from software developments services of Danlaw is recognized based on software developed and billed to clients considering the men and material used for the specific project. In the case of fixed-price contracts, revenue is recognized based on the percentage of work completed.

20.1.5 Expenditure

All expenses of Danlaw are accounted on the accrual basis.

20.1.6 Fixed assets

Fixed assets are stated at the cost of acquisition, less accumulated depreciation. Cost comprises of purchases and attributable cost. Depreciation on fixed assets is provided based on the Companies Act 1956 for the Indian assets and for the assets of Subsidiary on declining/straight line methods over estimated lives of assets.

20.1.7 Foreign currency transactions

In the case of sales made to clients outside India for the parent, income is accounted on the basis of the exchange rate as on the date of transaction. Adjustments are made for any variations in the sale proceeds on conversion into Indian currency upon actual receipt. In the case of expenditure in foreign currency, the expenses are accounted on the basis of exchange rate as on the date of the transaction. In case expenses are met out of EEFC accounts, the same is accounted for at the rate prevailing on the date of receipt of funds in EEFC account at the rate at which the EEFC funds are maintained.

The transactions of the subsidiary are in US dollars and Euro. There is no foreign currency transaction per se. But on account of consolidation all the outstanding entries of the subsidiary as on March 31, 2013 have been converted into Indian rupees and consolidation was affected.

20.1.8 Foreign currency translations

The accompanying financial statements of WOS are reported in U.S.dollars. The functional currency of the parent company in India is the Indian rupee ("Rs."). Hence translation of U.S.dollars to Rs is performed for balance sheet accounts using the exchange rate prevailing as at the balance sheet date, and for revenue and expense accounts using a quarterly average exchange rate for the respective quarters. The gains or losses resulting from such translation are reported as "Exchange conversion reserve", a separate component of reserves and surplus head in the consolidated accounts. The method of translating expenses of overseas operations depends upon the timing of the funds used. The balance sheet items of the WOS have been converted at the rate of Rs.53.54 per dollar. For conversion of the income statement, the statement figures have been segregated based on the quarter to which the transaction pertains and translated at the average quarterly exchange rate of Rs.54.22, Rs.55.14, Rs.54.17 & Rs.54.18 per US dollar for the respective quarters.

20.1.9 Investments

Long-term investments are stated at cost. The short-term investments of the parent company are valued and carried at cost or fair value whichever is lower. Provision will be made for decline, other than temporary, in the Value of investments. There is no income earning investments in the subsidiary.

20.1.10 Related party transactions

The company entered into related party transactions during the year with Danlaw Inc., USA. The CMD of the company is also CEO of the Danlaw Inc. The Danlaw Technologies Inc had sales of Rs.9,65,59,970/- during the year ended March 31, 2013 of which the sales made to the Danlaw Inc are Rs.8,38,10,443/-. During the year ended March 31, 2013 Danlaw Technologies Inc has purchased services of Rs.7,46,289/- from Danlaw Inc.

20.1.11 Goodwill Impairment

During the current year the company recognized an impairment loss of Rs.111.07 lakhs for goodwill due to declining revenue and losses incurred by the billing services division of the subsidiary.

Signatures to Notes 1 to 20
for and on behalf of the Board

For M/s. RAMANA REDDY & ASSOCIATES
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director

M.A. ASHOK KUMAR
Director

(CA. RAMANA REDDY A.V.)

Partner
Membership No: 024329
Hyderabad
May 11, 2013

Consolidated Statement of cash flows for the year ended March 31

in Rs.

	31-03-2013	31-03-2012
Cash flows from operations		
Profit from operations	2,03,37,312	33,78,398
Depreciation and depletion	16,17,249	15,80,832
Goodwill Impairment	1,02,82,800	-
Decrease (increase) in trade receivables	(27,81,489)	3,98,57,308
Decrease (increase) in loans and advances	18,81,013	95,23,609
Decrease (increase) in inventory	23,27,521	(26, 34,909)
Increase (decrease) in current liabilities	(53,81,452)	5,58,497
Increase (decrease) in provisions	(48,81,496)	(1,83,967)
Net cash from operations	2,34,01,458	5,20,79,768
Cash flows from financing		
Secured loans	(1,46,821)	(2,58,23,513)
Net cash from financing	(1,46,821)	(2,58,23,513)
Cash flows from investing		
Purchase of Fixed Assets	(6,10,019)	(21,60,701)
Net cash from investing	(6,10,019)	(21,60,701)
Total increase (decrease) in cash and equivalents during the year	2,26,44,618	2,40,95,554
Cash and equivalents at the beginning of the year	8,62,07,512	6,21,11,958
Cash and equivalents at the end of the year	10,88,52,130	8,62,07,512

These are the Cash Flow Statements referred to in our report of even date

For M/s. RAMANA REDDY & ASSOCIATES
Chartered Accountants
FRN: 003246S

RAJU S DANDU
Chairman &
Managing Director

M.A. ASHOK KUMAR
Director

(CA. RAMANA REDDY A.V.)

Partner
Membership No: 024329
Hyderabad
May 11, 2013



Regd. Office: Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034.

PROXY FORM

I / We _____ of _____ being member / members of Danlaw Technologies India Ltd. do hereby appoint _____ or failing him / her _____ of _____ as my / our Proxy in my / our absence to attend and vote for me / us, and on my / our behalf at the 20th Annual General Meeting of the Company to be held on September 30th, 2013 at 10.00 a.m. and at any adjournment thereof.

In witness whereof, I / We have set my / our hand / hands this ____ day of _____ 2013.

Re. 1/-
Revenue
Stamp

(Signature of the member across the stamp)

Note: The proxy must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



Regd. Office: Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad 500 034.

ATTENDANCE SLIP

20th Annual General Meeting on September 30th, 2013 at 10.00 A.M. at the Registered Office.

Ledger Folio / Ben. A/c. No. _____

Full Name of the Shareholder _____

Name of the Proxy _____

I certify that I am a member / proxy for the member, of the Company.

I hereby record my presence at the 20th Annual General Meeting of the Company held at Registered Office at Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500 034 on September 30th, 2013 at 10.00 A.M.

Shareholder's / Proxy's Signature _____

Note: Please fill in this attendance slip and hand it over at the entrance of the hall.