

## DANLAW TECHNOLOGIES INDIA LIMITED

### ANNUAL REPORT - FY 2020-21

#### CONTENTS

##### Pages

Notice of AGM.....	2
Directors' Report (DTIL).....	13
Management Discussion & Analysis Report.....	36
Certification by CEO & CFO of the Company .....	40

#### **Financials of DTIL as on March 31, 2021**

Auditors' Report .....	41
Balance Sheet.....	49
Statement of Profit and loss.....	50
Statement of Changes in Equity.....	51
Statement of Cash Flows.....	51
Notes on Accounts.....	52

#### **Consolidated Financials as on March 31, 2021**

Auditors' Report .....	59
Balance Sheet.....	66
Statement of Profit and loss.....	67
Consolidated Statement of Changes in Equity.....	68
Consolidated Statement of cash flows .....	68
Notes on Accounts.....	69
Significant Accounting Policies & Additional Notes on Accounts.....	79

**BOARD OF DIRECTORS**

Raju S Dandu  
Chairman & Whole-time  
Director

Sirish Batchu  
Managing Director

K N Praveen Kumar  
Director

N S Sappata  
Director

T Ravi Kumar  
Director

P Sridevi

Woman Director

**MANAGEMENT TEAM**

B V Ramana  
Chief Operating Officer

A V R K Varma  
Chief Financial Officer

Gaurav Padmawar  
Company Secretary

**REGISTERED OFFICE**

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

**USA SUBSIDIARY**

Danlaw Technologies Inc.  
41131, Vincenti Court,  
Novi, Michigan 48375, USA.

**Indian Subsidiary**

Danlaw Electronics Assembly Limited  
Plot No.43, Sagar Society, Road No.2,  
Banjara Hills, Hyderabad 500 034.

**Auditors**

CSVR & Associates  
Chartered Accountants,  
F-2, Trendset Ville,  
Road No.3, Banjara Hills,  
Hyderabad - 500034  
Ph : 040 - 23551980  
Email : csvrassociates@gmail.com

**BANKERS**

HDFC Bank Ltd ,  
Banjara Hills Branch,  
Hyderabad.

SBI - IFB  
Somajiguda, Hyderabad.

**REGISTRAR & SHARE TRANSFER AGENT**

KFin Technologies Private Limited(formerly known as  
Karvy Fintech Private Limited)  
Selenium Building, Tower-B,  
Plot No.31 & 32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad-500032  
Tel : 040-6716 2222,  
Fax : 040-2300 1153  
Email: einward.ris@kfintech.com  
Website: www.kfintech.com



## NOTICE

**NOTICE** is hereby given that the Twenty Eighth Annual General Meeting of the Company will be held on Thursday, the 30<sup>th</sup> day of September 2021 at 10.00 a.m. through Video Conferencing (VC) / Other Audio Visual Means (OAVM) to transact the following business:

### **ORDINARY BUSINESS :**

1.To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidated) for the financial year ended 31st March, 2021 together with the Reports of Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Sirish Batchu (DIN: 08335245), who retires by rotation and being eligible, offers himself for reappointment.

### **SPECIAL BUSINESS**

3. To regularise the appointment of Mrs. Sridevi Madati [DIN: 02446610], as Director who was appointed as an Additional Director and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

**“RESOLVED THAT** the appointment of Mrs. Sridevi Madati [DIN: 02446610] as an Additional Director (non-executive and non-independent) of the company under the category of Woman director of the Company with effect from 24<sup>th</sup> December 2020 in terms of Section 161 of the Companies Act, 2013 and Article of Association of the Company, who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Director of the Company.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all the acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

Place: Hyderabad

Date: 14.08.2021

By Order of the Board  
For Danlaw Technologies India Limited

Raju S. Dandu  
Chairman  
DIN:00073484

### **Notes:**

1. The AGM will be held on Thursday, 30th September, 2021 at 10:00 A.M. through Video Conferencing (VC)/ Other Audio Visual Means (OAVM) in compliance with the applicable provision of the Companies Act, 2013 read with MCA General Circular no. 14/2020, dated 08th April, 2020, MCA General Circular no. 17/2020, dated 13th April, 2020, MCA General Circular No. 20/2020 dated 05th May, 2020 and Circular No. 02/2021 dated January 13, 2021.
2. Pursuant to the General Circular No. 14/2020 dated 08th April, 2020 issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through e-voting.
3. Body Corporates whose Authorized Representatives are intending to attend the meeting through VC/OAVM are requested to send a duly certified copy of the Board Resolution authorizing their representative(s) to attend and vote on their behalf at the Annual General Meeting, pursuant to Section

113 of the Companies Act, 201 to the to the Scrutinizer by e-mail to mohiddincs@gmail.com with a copy marked to evoting@nsdl.co.in and info@danlawtechnologies.com.

4. In view of massive outbreak of the Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through video conferencing(VC) or other audio visual means (OAVM) and dispensed personal present of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021, prescribing the procedures and manner of conducting the Annual General Meeting through VC/OAVM. In terms of the said Circulars, the 28th Annual General Meeting (AGM) of the members be held through video conferencing (VC) or other audio visual means (OAVM). Hence, members can attend and participate in the AGM through VC/OAVM only.
5. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
6. As the Annual General Meeting of the Company is held through Video Conferencing/OAVM, we therefore request the members to submit questions in advance relating to the business specified in this Notice of AGM on the Email ID info@danlawtechnologies.com
7. The Register of Members and Share Transfer Books of the Company will remain closed from 26<sup>th</sup> September 2021 to 30<sup>th</sup> September 2021 (both days inclusive).
8. A statement pursuant to Section 102 of the Companies Act, 2013 in respect of special business under item no. 3 set out above to be transacted at the meeting is annexed hereto and form part of this Notice.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number(PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Registrar and Share Transfer gent
10. Members seeking any additional information on the accounts of the Company should write to the Compliance Officer on or before 14 days of the meeting, to facilitate the compilation of data for clarifications.
11. The business set out in the Notice will be transacted through electronic voting system and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are given in the Notice under Note no. 20
12. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
13. The Annual Report alongwith the Notice of AGM will be placed on the Company's website on [www.danlawtechnologies.com](http://www.danlawtechnologies.com)
14. As per the MCA General Circular 20/2020 dated 05th May, 2020, the Annual Report will be sent through electronic mode to only to those Members whose email IDs are registered with the Registrar and Share Transfer Agent of the Company/ Depository participant.
15. Members are requested to quote their Folio No. or DP ID / Client ID, in case shares are in physical /dematerialized form, as the case may be, in all correspondence with the Company / Registrar and Share Transfer Agent.

16. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies(Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by NSDL.
17. The facility for voting through electronic voting system shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting.
18. Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
19. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September,2021, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. 23<sup>rd</sup> September,2021 may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system".
20. For Remote e-voting and e-voting during AGM :
- THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on 26<sup>th</sup> September 2021 at 09:00 A.M. and ends on 29<sup>th</sup> September, 2021 at 05:00 P.M. During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23<sup>rd</sup> September, 2021 may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.**

**How do I vote electronically using NSDL e-Voting system?**

*The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:*

**Step 1: Access to NSDL e-Voting system**

**A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li data-bbox="842 293 1410 1211">1. Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li data-bbox="842 1245 1410 1536">2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/Id easDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/Id easDirectReg.jsp</a></li> <li data-bbox="842 1570 1410 2145">3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the</li> </ol>

screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or **e-Voting service provider i.e. NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

4. Shareholders/Members can also download NSDL Mobile App “**NSDL Speede**” facility by scanning the QR code mentioned below for seamless voting experience.



Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly

	<p>access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</p>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

<b>Login type</b>	<b>Helpdesk details</b>
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**



1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.
  - c) How to retrieve your ‘initial password’?
    - (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “**Forgot User Details/Password?**”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join General Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [mohiddinc@gmail.com](mailto:mohiddinc@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) and [info@danlawtechnologies.com](mailto:info@danlawtechnologies.com).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “**Forgot User Details/Password?**” or “**Physical User Reset Password?**” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to (Mr Swapneel) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [info@danlawtechnologies.com](mailto:info@danlawtechnologies.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [info@danlawtechnologies.com](mailto:info@danlawtechnologies.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM/AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the EGM/AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the EGM/AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM/AGM. However, they will not be eligible to vote at the EGM/AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the EGM/AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE EGM/AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of “VC/OAVM link” placed under “**Join General meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number to the Compliance Officer([info@danlawtechnologies.com](mailto:info@danlawtechnologies.com)) on or before 14 days of the meeting. The same will be replied by the company suitably
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/Folio Number, PAN, Mobile Number at [info@danlawtechnologies.com](mailto:info@danlawtechnologies.com) before 16.09.2021 Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

Place: Hyderabad  
Date: 14.08.2021

By Order of the Board  
For Danlaw Technologies India Limited  
Raju S. Dandu  
Chairman  
DIN: 00073484

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

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

**Item No. 3**

The Board of Directors of the Company through Circular Resolution approved the appointment of Mrs. Sridevi Madati [DIN: 02446610], as an Additional Director(non-executive and non-independent) of the company under the category of Woman director of the Company with effect from 24<sup>th</sup> December 2020, who shall hold office up to the date of ensuing Annual General Meeting or last date on which the Annual General Meeting should have been held, whichever is earlier.

Brief profile of Mrs. Sridevi Madati information as required pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and Secretarial Standards on General Meetings in respect of appointment of Mrs. Sridevi Madati is mentioned in the annexure which forms part of this notice.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors recommends the resolution as set out in item no. 3 of the Notice for the approval of members.

**ANNEXURE TO THE NOTICE:**

Disclosure pursuant Regulation 36 (3) of SEBI (LODR) Regulations, 2015 with regard to the Director being appointed and Director retiring by rotation and being eligible at the forthcoming Annual General Meeting (refer Item No.2 and 3)

**1. .Mr. Sirish Batchu (DIN: 08335245)**

Brief Resume :

Name of the Director	Sirish Batchu
Father Name	Swaminath Batchu
Date of Birth	08/08/1971
Qualifications	Engineer
Date of Appointment	11.02.2019

Experience	22 years
------------	----------

**Nature of Expertise in Specific functional areas :**

Mr. Sirish Batchu has vast experience with R&D in the Automotive, Electronics and software domains. He is the vice president – digital technology in Ather Energy Pvt Ltd. He has worked with organizations like Mahindra & Mahindra, Bosch and Indian Space Research Organization in the past and has been instrumental in establishing several R&D initiatives from conceptualization to market scaling and has managed large teams /projects in multi-domain, multi regional and multi functional environments.

**Disclosure of inter-se relationship between Directors and Key Managerial Personnel:**

Mr. Sirish Batchu is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

**Listed entity(other than Danlaw Technologies India Ltd) in which Mr. Sirish Batchu holds the directorship and Committees Membership :**

**Directorship :** Nil

**Committee Membership :** Nil

**Shareholding in the Company:** Nil

**2. Sridevi Madati (DIN: 02446610 )**

Brief Resume :

Name of the Director	Sridevi Madati
Father Name	Balakrishna Madati
Date of Birth	10/01/1977
Qualifications	Company Secretary
Date of Appointment	24.12.2020
Experience	17 years

**Nature of Expertise in Specific functional areas :**

Mrs. Sridevi Madati is a Qualified as Company Secretary and fellow member of Institute of Company Secretaries of India. Has over 17 years of rich experience in corporate, secretarial affairs, legal, regulatory matters, compliance and liaison assignments. Had been associated with listed and non-listed Companies, NGO's in various capacities spanning from Company Secretary, Head of legal and secretarial Department, Independent Director, Consultant, advisor etc.,

**Disclosure of inter-se relationship between Directors and Key Managerial Personnel:**

Mrs.Sridevi Madati is not related to any of the other Directors of the Company or Key Managerial Personnel or their relatives.

**Listed entity(other than Danlaw Technologies India Ltd) in which Mr. Sridevi Madati holds the directorship and Committees Membership :**

**Directorship :** Nil

**Committee Membership :** Nil

**Shareholding in the Company:** Nil

By Order of the Board  
For Danlaw Technologies India Limited  
Raju S. Dandu  
Chairman  
DIN: 00073484

Place: Hyderabad  
Date: 14.08.2021

**DIRECTORS' REPORT**

To,  
The Members,

The Directors submit annual report of Danlaw Technologies India Limited (DTIL) along with the audited financial statements for the financial year ended March 31, 2021 Consolidated performance of the Company and its subsidiary has been referred to wherever required.

**Financial Results**

(Rs. In Lakhs)

Particulars	2020-21				2019-20			
	DTIL	DTI	DEAL	Cons.	DTIL	DTI	DEAL	Cons.
Net Sales/Income from operations	2780.82	11.25	7095.94	9888.01	1534.25	135.19	3815.53	5484.97
Other Income	109.03	0.86	44.12	154.01	114.51	6.11	2.54	123.16
<b>Total Income</b>	<b>2889.85</b>	<b>12.11</b>	<b>7140.06</b>	<b>10042.02</b>	<b>1648.76</b>	<b>141.30</b>	<b>3818.07</b>	<b>5608.13</b>
Cost of materials	1827.73	0.00	4564.59	6392.32	606.19	0.00	2380.62	2986.81
Employee's Cost	984.52	7.29	973.37	1965.18	928.81	95.70	918.20	1942.71
Finance Cost	13.89	0.00	75.87	89.76	24.26	0.00	19.44	43.70
Depreciation	222.99	0.00	170.84	393.83	187.85	0.00	132.52	320.37
Other Expenses	208.22	5.93	720.49	934.64	330.99	6.90	642.93	980.82
<b>Total Expenses</b>	<b>3257.35</b>	<b>13.22</b>	<b>6505.16</b>	<b>9775.73</b>	<b>2078.10</b>	<b>102.60</b>	<b>4093.71</b>	<b>6274.41</b>
Profit / (Loss) before tax	<b>(367.50)</b>	<b>(1.11)</b>	<b>634.90</b>	<b>266.29</b>	<b>(429.34)</b>	<b>38.70</b>	<b>(275.64)</b>	<b>(666.28)</b>
Current Tax	0.00	(0.11)	89.75	89.64	0.00	8.91	0.00	8.91
Prior-period Tax	0.00	0.00	28.41	28.41	0.25	0.00	(6.20)	(5.95)
Deferred Tax	(98.89)	0.00	87.30	(11.59)	(102.48)	0.00	(46.35)	(148.83)
Profit / (Loss) after tax	<b>(268.61)</b>	<b>(1.00)</b>	<b>429.44</b>	<b>159.83</b>	<b>(327.11)</b>	<b>29.79</b>	<b>(223.09)</b>	<b>(520.41)</b>
Profit / (Loss) attributable to:								
- Owners of the Company	<b>(268.61)</b>	<b>(1.00)</b>	<b>300.61</b>	<b>31.00</b>	<b>(327.11)</b>	<b>29.79</b>	<b>(156.17)</b>	<b>(453.49)</b>
- Non controlling interests	<b>0.00</b>	<b>0.00</b>	<b>128.83</b>	<b>128.83</b>	<b>0.00</b>	<b>0.00</b>	<b>(66.93)</b>	<b>(66.93)</b>
Paid up equity share capital	370.75	295.66	516.97	370.75	370.75	295.66	516.97	370.75
Reserves and Surplus (Excl. revaluation reserve)	1460.94	346.80	1342.80	1833.14	1737.79	367.09	935.97	1850.56
Earnings per share - basic	(7.25)	(0.03)	8.31	0.84	(8.82)	46.55	(4.32)	(12.23)
Earnings per share - diluted	(7.25)	(0.03)	8.31	0.84	(8.82)	46.55	(4.32)	(12.23)

DTIL: Danlaw Technologies India Limited

DTI: Danlaw Technologies Inc - 100% wholly owned subsidiary

DEAL: Danlaw Electronics Assembly Limited - subsidiary

**Dividend**

In view of the accumulated losses, your directors do not recommend any dividend for the Financial Year 2020-2021

**Transfer to Reserve**

Since there is no surplus in Profit and Loss account, there is no transfer to general reserve.

**Share Capital**

During the year under review, there were no changes in the share capital of the Company. Share Capital of the Company as on March 31, 2021 was as follows:

Authorized Capital - Rs. 5,00,00,000/- (Rupees Five Crores only) divided into 50,00,000 (Fifty Lakhs Only) Equity Shares of Rs. 10 each.

Issued, Subscribed and Paid Up Capital – Rs. 3,70,74,900/- (Rupees Three Crores Seventy Lakhs Seventy Four Thousand Nine Hundred Only) divided into 37,04,790 (Thirty-Seven lakhs four thousand Seven Hundred and Ninety only) Equity Shares of Rs. 10 each.

**Company's Performance (Stand Alone)**

Revenue from operations has increased by 81% to Rs.2780.82 lacs. The net Loss for the fiscal year is 268.60 lacs as compared to a Loss of Rs.327.11 lacs in the previous year.

The other income of Rs.109.03 lacs include Rs.88.09 lacs of Lease Rental income, Rs.10.02 lacs interest income.

**Company's Performance (Consolidated)**

Revenue from operations has increased by 80% to Rs.9888.01 lacs. The net Profit for the fiscal year is 31 lacs as compared to a Loss of Rs.453.49 lacs in the previous year.

The other income of Rs.154.01 lacs include Rs.88.09 lacs of Lease Rental income, Rs.13.27 lacs interest income and Rs.40.88 lacs exchange gain.

**Change in the nature of business, if any**

During the year under review, there has been no change in the nature of business of the Company.

**Material Changes and Commitments Affecting the Financial Position of the Company**

There have been no material changes and commitments, affecting the financial position of the company which occurred during and between the end of the financial year to which the financial statements relate and the date of this report.

**Scheme of Amalgamation**

During the FY 2020-21, the Scheme of Amalgamation between Danlaw Technologies India Limited (Transferee Company) and Danlaw Electronics Assembly Limited (Transferor Company) and their respective Shareholders and Creditors as per Sections

230 to 232 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 filed with the BSE on 01.09.2020 and the no observation letter from BSE received on 20.04.2021. The said scheme was filed with the National Company Law Tribunal(NCLT), Hyderabad Bench on 24.05.2021. The Hon'ble National Company Law Tribunal, Hyderabad Bench ("Hon'ble Tribunal" or "NCLT") by an order dated Thursday, 29th July 2021 read with corrigendum Order dated 05th August, 2021, in the Company Scheme Application No. C.A. (CAA) NO. 34/230/HDB/2021 ("Order") has directed that a meeting of the equity shareholders of the Company, scheduled on Saturday, September 18, 2021 at 12:30 P.M (IST). through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM") to consider, and if thought fit, to approve the said Scheme.

#### **Events subsequent to the date of financial statement**

There are not major events subsequent to the date of financial statement

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

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

#### **Internal financial control systems and their adequacy**

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

#### **Subsidiary Companies**

Danlaw Technologies, Inc - wholly owned subsidiary in USA

Danlaw Electronics Assembly Limited – Subsidiary Company, India

Performance and financial position have been given above in the financial results.

A Statement containing salient features of the financial statement of our subsidiaries in the prescribed format AOC-1 as appended as Annexure-I.

#### **Deposits from public**

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

#### **Auditors**

In terms of the provisions of Section 139(1) of the Companies Act, 2013 and Companies (Audit and Auditors) Rules, 2014 the Company appointed the Statutory Auditors for a period of five years from the conclusion of the 24th Annual General Meeting upto the conclusion of 29th Annual General Meeting. Your Company has received confirmation from the said Auditor that their appointment is within the limits prescribed under Section 139(1) of the Companies Act, 2013 and Rule 4(1)(a) of Companies (Audit and Auditors) Rules, 2014.



The requirement for the annual ratification of auditors' appointment at the AGM has been omitted pursuant to Companies (Amendment) Act, 2017 notified on May 7, 2018.

#### **Auditors' report**

There are no qualifications, reservations or adverse remarks made by M/s. CSVR & Associates, Chartered Accountants, and Statutory Auditors in their report for the Financial Year ended 31st March, 2021.

The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company under sub-section (12) of section 143 of the Companies Act, 2013, during the year under review.

#### **Secretarial Auditors :**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rules made thereunder, the Company has appointed Syed Meera Mohiddin, Company Secretary in Practice (CP No 7813) to conduct the Secretarial Audit of the Company and related records for the year ended 31st March 2021. The Secretarial Audit Report of the Company is annexed herewith as Annexure and forms an integral part of this report.

#### **Secretarial Auditors' Report**

There are no qualifications, reservations or adverse remarks made by Syed Meera Mohiddin, Practicing Company Secretary in their report for the financial year ended 31st March, 2021.

#### **Internal Auditor**

The Board on the recommendations of the Audit Committee has appointed M/s. Ramana Reddy & Associates, Chartered Accountants as internal auditors of the Company. The Internal Auditors are submitting the reports regularly.

#### **Maintenance of cost records**

The company is not required to maintain cost records as specified by the central government under sub section (1) of section 148 of the Companies Act, 2013.

#### **Extract of the Annual Return**

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

#### **Conservation of energy and technology absorption**

##### **a) Conservation of energy**

Your Company is engaged in the business of software and information technology and has no specific activities relating to conservation of energy and technology absorption as required to be disclosed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) the Companies (Accounts) Rules, 2014. The Company has taken necessary measures wherever possible for the conservation of energy. However, your Company uses information technology extensively in its operations and also continues its endeavor to improve energy conservation and utilization, safety and environment.

## b) Research & Development and Technology Absorption:

- (i) *R & D:* Your Company has a team of people working on R & D. This year Rs.141.09 lacs spent on R&D.
- (ii) *Technology Absorption:* Your Company continues to use state of the art technology for improving the productivity and quality of its products and services. To create adequate infrastructure, your Company continues to invest in the latest hardware and software.

### Foreign exchange earnings and outgo:

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

Particulars	2020-2021	2019-2020
Earnings	4,02,75,280	5,47,97,087
Outgo	43,46,365	3,28,86,619

### Corporate social responsibility policy

The Company was not required to constitute Corporate Social Responsibility (CSR) Committee as the company has not met any of the thresholds mentioned in section 135 of the Companies Act, 2013 during the financial year under review. Hence reporting about the policy on Corporate Social Responsibility and initiative taken are not applicable to the company.

### Directors and Key Managerial Personnel

1. Mr Raju S Dandu – Whole-time Director and Executive Chairman
2. Mr Sirish Batchu –Managing Director
3. Mr Naga Satyanarayana Sappata – Independent Director
4. Mr K N Praveen Kumar - Independent Director
5. Mr T Ravikumar – Independent Director
6. Mrs M Sridevi – Non Executive Non Independent Director\*
7. Mr A V RK Varma – CFO
8. Mr Gaurav Padmawar - Company Secretary

All the Independent Directors of your Company have given declarations under Section 149(7) of the Companies Act, 2013 that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and the Rules made there under and also as per applicable regulations of the SEBI (LODR) Regulations, 2015.

None of the Directors are disqualified from being appointed or holding office as Directors, as stipulated under Section 164 of the Companies Act, 2013.

\* The Board of Directors of the Company through Circular Resolution approved the appointment of Mrs. Sridevi Madati [DIN: 02446610], as an Additional Director(non-executive and non-independent) of the company under the category of Woman director of the Company with effect from 24<sup>th</sup> December 2020, who shall hold office up to the date of ensuing Annual General Meeting or last date on which the Annual General Meeting should have been held, whichever is earlier.

There are no changes in the office of Key Managerial personnel of the company during the year.

### Meeting of the Board of Directors

Four meetings of the board were held during the year. The Meetings were held on, 30th June, 2020, 22nd August 2020, 13th November 2020, 13th February 2021. The maximum interval between any two meetings did not exceed 120 days. The meeting of Independent Directors held on 13<sup>th</sup> February 2021.

### Audit Committee

As on 31st March, 2021, the Audit Committee consists of four directors as its members, out of whom three are independent non-executive directors and one is Whole-time Director.

There were 4 (four) meetings held on 30th June 2020, 22nd August 2020, 13th November 2020, 13th February 2021 during the Financial Year 2020-21

Names of the members and the Chairman of the Committee as on 31st March, 2021:

Name	Category
Mr. Raju S Dandu	Executive Director
Mr. Naga Satyanarayana Sappata	Non-Executive - Independent Director
Mr. K N Praveen Kumar	Non-Executive - Independent Director
Mr. T Ravikumar – Chairman	Non-Executive - Independent Director

Necessary quorum was present in all meetings .Mr.T Ravikumar Chairman of the Audit Committee attended the last Annual General Meeting (AGM) of the Company.

The terms of reference to the Audit Committee cover the matter specified for Audit Committee under Regulation 18 of SEBI Listing Regulations and Section 177 (1) of the Companies Act, 2013 and SEBI Listing Regulations.

### Nominations and Remuneration Committee

The Nomination and Remuneration Committee of the Board of Directors meets the criteria laid down under section 178 of the Companies Act, 2013 read with the Regulation 19 of the SEBI Listing Regulations.

One meeting of the Nomination and Remuneration Committee was held during the year. The dates on which the said meetings was held on 13.02.2021

Names of the members and the Chairman of the Committee as on 31st March, 2020 are given below

Name	Category
Mr. Naga Satyanarayana Sappata	Independent Non-executive - Chairman
Mr. Kotti Nanda Praveen Kumar	Independent Non-executive
Mr.Ravi Kumar Tamma	Independent Non-executive

### Stakeholder Relationship Committee

The Stakeholder Relationship Committee (SRC) of the Board of Directors meets the Criteria laid down under Section 178 of the Companies Act, 2013, read with the Regulation 20 of the SEBI Listing Regulations.

One meeting of the Stakeholders Relationship committee was held during the year. The dates on which the said meetings was held on 13.02.2021

M/s. KFin Technologies Private Limited, 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.

Names of the members and the Chairman of the Committee as on 31st March, 2020 are given below

Name	Category
Mr Dandu Satyanarayana Raju	Executive Director
Mr. Naga Satyanarayana Sappata -	Independent Non-executive
Mr.Ravi Kumar Tamma -	Independent Non-executive- Chairperson
Mr Sirish Batchu	Executive Director

### Particulars of loans, guarantees or investments under section 186

In the Financial Year 2020-21, the Company has not given any loan, guarantees or made any investments exceeding sixty per cent of its paid-up share capital, free reserves and securities premium account or one hundred per cent of its free reserves and securities premium account, whichever is higher, as prescribed in Section 186 of the Companies Act, 2013.

### Particulars of contracts or arrangement with related parties:

None of the transactions with related parties falls under the scope of Section 188(1) of the Act. Information on transactions with related parties pursuant to Section 134(3)(h) of the Act read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Annexure II in Form AOC-2 and the same forms part of this report.

### Managerial Remuneration

- The ratio of remuneration of Managing Director to the median remuneration of the employees of the Company for the financial year: 23.8
- The ratio of remuneration of Whole Time Director to the median remuneration of the employees of the Company for the financial year: 5.01
- No other directors are paid remuneration except sitting fees
- The number of permanent employees on the rolls of the Company: 124

### **Particulars of Employees**

None of the employees of your Company is in receipt of remuneration requiring disclosure pursuant to the provisions of Section 134(3) (q) of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Hence, no such particulars in this regard are annexed.

### **Vigil Mechanism/ Whistle Blower Policy**

The Company has formulated and published a Whistle Blower Policy to provide Vigil Mechanism for employees including directors of the Company to report genuine concerns. The provisions of this policy are in line with the provisions of the Section 177(9) of the Act and in terms of regulation 22 of the SEBI Listing Regulation (URL: [www.danlawtechnologies.com](http://www.danlawtechnologies.com)).

### **Obligation of Company under the Sexual Harassment of Women Workplace (Prevention, Prohibition and Redressal) Act, 2013**

During the financial year 2020-2021, the Company has not received any complaint of sexual harassment against women employees of the Company.

### **Industry based disclosures as mandated by the respective laws governing the company**

The Secretarial audit report for the financial year 2020-21 has briefed on compliance of industry-based disclosures and concerned laws governing the company.

### **Managements Discussion and Analysis:**

In terms of the provisions of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management's discussion and analysis is set out in this Annual Report & marked as Annexure.

### **Directors Responsibility Statement**

Pursuant to Section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made 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 at the end of the financial year and of the profit of the Company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the directors had prepared the annual accounts on a going concern basis;
- v. the directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and operating effectively;
- vi. the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory



			Assembly Limited
3	Reporting period of the subsidiary concerned, if different from the holding company's reporting period	Same as holding company April 1 <sup>st</sup> to March 31 <sup>st</sup>	Same as holding company April 1 <sup>st</sup> to March 31 <sup>st</sup>
4	Reporting currency and exchange rate as on the last date of relevant financial year in the case of foreign subsidiary	United State Dollar (USD) Rs.73.21 per USD	Rs.
5	Share capital	2,95,66,245	5,16,96,750
6	Reserves & surplus	3,46,80,142	13,42,79,840
7	Total Assets	6,55,57,225	58,03,22,229
8	Total Liabilities	6,55,57,225	58,03,22,229
9	Investments	-	-
10	Turnover	11,25,000	88,04,02,963
11	Profit before taxation	-110992	6,34,90,421
12	Provision for taxation	-10,856	2,05,45,855
13	Profit after taxation	1,00,136	4,29,44,566
14	Proposed dividend	-	-
15	% of share holding	100	70

## Annexure II

### Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto:

**1. Details of contracts or arrangements or transactions not at arm's length basis:**

Danlaw Technologies India Limited (DTIL) has not entered into any contract or arrangement or transaction with its related parties which is not at arm's length during financial year 2020-21.

**2. Details of material contracts or arrangement or transactions at arm's length basis:**

a. Name(s) of the related party and nature of relationship:

Danlaw Technologies Inc (DTI), wholly owned subsidiary of DTIL.  
Danlaw Inc (DI), Associate Company  
DSN Raju / D Lakshmi

b. Nature of contracts / arrangements / transactions:

Electronic hardware sales, IT/ITES Services with DTI and DI  
Lease rent agreement for office premises with DSN Raju / D Lakshmi / DI

c. Duration of the contracts / arrangements / transactions: On going

- d. Salient terms of the contracts or arrangements or transactions including the Value, if any:

DTIL shall(i) provide IT/ITES services and Electronic hardware to the existing and new clients of DTI/DI,(ii) diligently perform the contract in timely manner and provide services in accordance with the work order issued by DTI/DI, (iii) submit invoices on monthly basis for the services provided for each project as per the terms of contract and DTI/DI shall promptly pay the same,(iv) be responsible for all the expenses incurred in connection with providing its services and(v) comply with the local, state and federal laws and regulations applicable while providing services.

Lease rental agreement for office premises with DSN Raju/D Lakshmi / DI on rate not detrimental to the interest of the company.

- e. Date(s) of approval by the Board, if any: June 30, 2021. All the contracts were entered into in the ordinary course of business and on arm's length basis.

- f. Amount paid as advances, if any: Nil

**Place : Hyderabad**  
**Date : 14-08-2021**

On behalf of the board of directors,  
**Raju S Dandu**  
**Chairman**  
**(DIN : 00073484)**



**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN**

Annexure III

**As on the financial year ended on March 31, 2021**

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i	CIN	L72200TG1992PLC015099
ii	Registration Date	December 3, 1992
iii	Name of the Company	Danlaw Technologies India Limited
iv	Category / Sub-Category of the Company	Company Limited by shares / Indian Non-Government Company
v	Address of the registered office and contact details	Plot no.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034 Tel: 91 40 2354 2499, Fax: 91 40 2354 1671 Email: investor.relations@danlawtechnologies.com Website: www.danlawtechnologies.com
vi	Whether listed company	: Yes
viii	Name, Address and Contact details of Registrar and Transfer Agent, if any	KFin Technologies Private Limited(formerly known as Karvy Fintech Private Limited) Selenium Building, Tower-B, Plot No.31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad-500032 Toll free number - 1- 800-309-4001 Email: einward.ris@kfintech.com Website: www.kfintech.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	Computer Programming, Consultancy and Related Activities	620	15
2.	Industrial electronics	264	85

**III. PARTICULARS OF HOLDING & SUBSIDIARY**

Sr.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	(% of shares)	Applicable Section
1	Danlaw Technologies Inc Address : 41131,Vicenti Court, Novi, Michigan 48375, USA	-	Subsidiary	100	2(87)
2	Danlaw Electronics Assembly Limited Address : Third Floor, Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad - 500034	U33301TG1991PLC148695	Subsidiary	70	2(87)



	Category of Shareholders	No. of Shares held at the beginning of the year i.e 31.03.2020				No. of Shares held at the end of the year i.e 31.03.2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f.	Foreign Institutional Investors	0	0	0	0	0	0	0	0	0
g.	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
h.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
i.	Foreign Portfolio Investors	0	0	0	0	0	0	0	0	0
j.	Any Other (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-Total (B) (1)</b>		<b>43000</b>	<b>0</b>	<b>43000</b>	<b>1.16</b>	<b>43000</b>	<b>0</b>	<b>43000</b>	<b>1.16</b>	<b>0</b>
<b>2. Non-Institutions</b>										
a.	Bodies Corporate	97759	1400	99159	2.69	63170	1400	64570	1.74	0.95
b.	Individuals -									
i.	Individual shareholders holding nominal share capital upto	1130782	17341	1148123	30.97	1067063	17341	1084404	29.25	1.72
ii.	Individual shareholders holding nominal share capital in excess of	490147	0	490147	13.22	549713	0	549713	14.83	1.61
c.	Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
d.	Any Other NRI	71715	0	71715	1.93	102983	0	102983	2.78	0.85
i.	Foreign Companies	0	0	0	0.000	0	0	0	0.000	0.00
ii.	Clearing Members / Clearing	4541	0	4541	0.12	11015	0	11015	.30	0.18
iii.	Trusts	0	0	0	0	1000	0	1000	0.03	0.03
<b>Sub-total (B) (2)</b>										<b>0</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>		<b>1837944</b>	<b>18741</b>	<b>1856685</b>	<b>50.08</b>	<b>1837944</b>	<b>18741</b>	<b>1856685</b>	<b>50.08</b>	<b>0</b>
<b>TOTAL (A)+(B)</b>		<b>3688749</b>	<b>18741</b>	<b>3707490</b>	<b>100</b>	<b>3688749</b>	<b>18741</b>	<b>3707490</b>	<b>100</b>	<b>0</b>
C.	Shares held by Custodians and against which Depository Receipts have been issued	0	0	0	0	0	0	0	0	0.00
<b>GRAND TOTAL</b>		<b>3688749</b>	<b>18741</b>	<b>3707490</b>	<b>100</b>	<b>3688749</b>	<b>18741</b>	<b>3707490</b>	<b>100</b>	<b>0.00</b>

**ii. Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2020			Shareholding at the end of the year 31.03.2021			% change in shareholding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
1.	Danlaw Systems India Ltd	1461592	39.42	0.00	1461592	39.42	0.00	0.00
2.	Srinivas Dandu	63200	1.70	0.00	63200	1.70	0.00	0.00
3.	Pallavi Dandu	60100	1.62	0.00	60100	1.62	0.00	0.00
4.	Lakshmi Dandu	59000	1.59	0.00	59000	1.59	0.00	0.00
5.	D Lakshmi	60100	1.62	0.00	60100	1.62	0.00	0.00
6.	D Venkat Raju	52800	1.42	0.00	52800	1.42	0.00	0.00
7.	Pallamma Dandu	46300	1.25	0.00	46300	1.25	0.00	0.00
8.	D Praveen Varna	39713	1.07	0.00	39713	1.07	0.00	0
9.	BVRamana	8000	0.22	0.00	8000	0.22	0.00	0.00
	<b>Total</b>	<b>1850805</b>	<b>49.92</b>	<b>0.00</b>	<b>1850805</b>	<b>49.92</b>	<b>0.00</b>	<b>0.00</b>

**iii. Change in Promoters' Shareholding (please specify, if there is no change)**

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year				
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	<i>There is no change in Promoters' Shareholding between 01.04.2020 to 31.03.2021</i>			
3.	At the end of the year				

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sr. No.	Top 10 Shareholders*	Shareholding at the beginning of the year 01-04-2020		Cumulative Shareholding end of the year 31-03-2021	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Rajesh Joseph	105434	2.84	122222	3.30
2.	V Subba Raju Namburi	56500	1.52	56500	1.52
3.	'Vibhava Mishra	52354	1.41	50000	1.35
4.	Vamsidhar Patibandla	50000	1.35	55001	1.48
5.	Shaaji Palliyath	15540	0.42	45000	1.21
6.	'Karthik Reddy A	44085	1.19	44085	1.19
7.	Deputy Commissioner Of Income Tax Circle 3 (2)	43000	1.16	43000	1.16
8.	'Yajush Vibhava Mishra	0	0	34445	0.93
9.	Pannu Bhansali	30875	0.83	47625	1.28
10.	Rajesh Kumar Jain	27664	0.75	24400	0.66

\*The shares of the Company are traded on a daily basis and hence the date wise increase / decrease in shareholding is not indicated. Shareholding is consolidated based on permanent account number (PAN) of the shareholder.

**v. Shareholding of Directors and Key Managerial Personnel:**

Sr. No.	Folio/Beneficiary Account no	Name of the Shareholder	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the	
					No. of shares	% of total shares of the	No. of shares	% of total shares of the
1.	Nil	Nil	1-Apr-	At the beginning of	Nil	Nil	Nil	Nil
			31-Mar-21	At the end of the year	Nil	Nil	Nil	Nil
				Total :	Nil	Nil	Nil	Nil

**VI INDEBTEDNESS**

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(In Rs.)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
Change in indebtedness during the financial year				
x Addition	-	-	-	-
x Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i. Principal Amount	-	-	-	-
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

Sr. No.	Particulars of Remuneration	Name of the MD/WTD/Manager	Name of the MD/WTD/Manager
		Mr. Sirish Batchu*	Mr. Raju S Dandu#
1.	Gross salary	In Rs	In Rs.
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	87,55,407	15,82,896
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-	15,364
	(c) Profits in lieu of salary under Section 17(3) of the Income tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit	-	-
5.	Others, Allowances	20,000	-
	<b>Total (A)</b>	<b>87,75,407</b>	<b>15,98,260</b>

**B. Remuneration to other directors:***In Rs.*

Sr. No.	Particulars of Remuneration	Fee for attending board / committee meetings	Others, please specify	Total Amount
<b>1.</b>	<b>Directors</b>			
	Mr. N S Sappata	60,000	-	60,000
	Mr. T Ravi Kumar	60,000	-	60,000
	Mr. K N Praveen Kumar	60,000	-	60,000
	Mrs. P Sundaramma		-	
	Mrs Sridevi		-	
	<b>Total (1)</b>	<b>1,80,000</b>		<b>1,80,000</b>

\*

**C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD***In Rs.*

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Mr. A V R K Varma CFO	Mr. Gaurav Padmawar CS	Total
1.	Gross salary			
	a. Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	16,39,944	5,32,690	21,72,634
	b. Value of perquisites u/s 17(2) of the Income-tax Act, 1961	-		
	c. Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	-		
2.	Stock Option	-		
3.	Sweat Equity	-		
4.	Commission - as % of profit	-		
5.	Others, Allowances	-		
	<b>Total</b>	<b>16,39,944</b>	<b>5,32,690</b>	<b>21,72,634</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties, punishment or compounding of offences during the year ended March 31, 2021

## Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2021

*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members

**Danlaw Technologies India Limited**

Plot No.43, Sagar Society, Road No.2,

Banjara Hills, Hyderabad - 500034

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Danlaw Technologies India Limited** (hereinafter called the company) bearing **CIN L72200TG1992PLC015099**. Secretarial Audit was conducted in a manner that provided to me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the **Danlaw Technologies India Limited**, books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31<sup>st</sup> March 2021**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by M/s. **Danlaw Technologies India Limited** ("the Company"), **Listed Public Company** for the financial year ended on **31<sup>st</sup> March 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015;
  - b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;



- c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 2018;
- e) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 and 2018;

(vi) **General and other labour laws:** applicable to the company, as mentioned below:

- a) Employees State Insurance Act, 1948 and Employees' State Insurance (General) Regulations, 1950;
- b) Employees Provident Funds and Miscellaneous Provisions Act, 1952 and the Employees' Provident Funds Scheme, 1952;
- c) Payment of Bonus Act, 1965 and the Payment of Bonus Rules, 1965;
- d) Employment Exchanges (Compulsory Notification of Vacancies) Act, 1959
- e) Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971;
- f) Factories Act, 1948 and the rules made thereunder;
- g) Andhra Pradesh Shops and Establishment Act, 1988 and various respective State laws;
- h) Water (Prevention and Control of Pollution) Act, 1974
- i) Air (Prevention and Control of Pollution) Act, 1981
- j) Environment Protection Act, 1986
- k) Public Liability Insurance Act, 1991
- l) Explosives Act, 1884
- m) Legal Metrology Act, 2009
- n) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

(vii) **Industry Specific Laws:** The Company is engaged in the business of Software Technology. The management has identified and confirmed the compliances of the following laws being specifically applicable to the Company are as under:

- a) Information Technology Act 2000; Information (Amendment) Act 2008 and Rules for the
- b) Information Technology Act 2000
- c) Software Technology Parks of India and Rules and Regulations thereon
- d) The Indian Copyright Act, 1957
- e) The Patents Act, 1970
- f) The Trademarks Act, 1999

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company not entered into / carried out any activity that has major bearing on the company's affairs.

**Syed Meera Mohiddin**  
**Practising Company Secretary**  
M.No.19395  
COP 7813  
UDIN :A019395C000788240

Date: 14 August 2021  
Place: Hyderabad

## **Annexure A**

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The secretarial audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Syed Meera Mohiddin**  
**Practising Company Secretary**  
M.No.19395  
COP 7813  
UDIN :A019395C000788240

Date: 14 August 2021  
Place: Hyderabad

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**  
(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To

The Members

**Danlaw Technologies India Limited**

Plot No.43, Sagar Society, Road No.2,

Banjara Hills, Hyderabad – 500034

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Danlaw Technologies India Limited** having CIN **L72200TG1992PLC015099** and having registered office at Plot No.43, Sagar Society, Road No.2, Banjara Hills, Hyderabad – 500034 (hereinafter referred to as ‘the Company’), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

My opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

S.No	Name of Director	DIN	Date of Appointment in the Company
1	Raju Satyanarayana Dandu	00073484	19/11/1999
2	Nagasatyanarayana Sappata	02423978	31/10/2008 (Designated as Independent Director on 30/09/2014)
3	Kotti Nanda Praveen Kumar	03147134	19/07/2010 (Designated as Independent Director on 30/09/2014)
4	Ravi Kumar Thamma	05306747	25/06/2012 (Designated as Independent Director on 30/09/2014)
5	Sirish Batchu	08335245	11/02/2019
6	Sridevi Madati	02446610	24/12/2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Syed Meera Mohiddin**  
**Practising Company Secretary**

M.No.19395

COP 7813

UDIN A019395C000764744

Date: 14 August 2021

Place: Hyderabad

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### Overview

The financial statements have been prepared in compliance with accounting standards IND AS. 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.

### Market Scenario and Trends

The turnover of the automotive component industry stood at INR 3.4 lakh crore (USD 45.9 billion) for the period April 2020 to March 2021, registering a de-growth of 3% over the previous year. This is for the second year in a row that the turnover of industry has moved to the negative zone.

The decline from FY20 to FY21 is easy enough to understand. Two back to back waves of COVID-19, sharp rise in commodity prices in 2019-2020 and semiconductor shortage in 2020-2021 wiped out the industry's revenue.

The nationwide lock-down in wake of the pandemic, one of the severest in the world, put the entire supply chain in a disarray. The entire industry took a significant time to stabilise again post the gradual unlocking of the economy. While vehicle sales and production improved quarter-on-quarter from second quarter of FY20-21 onwards, however the first quarter of FY 21-22 was once again confronted with another round of disruptions due to the second wave of the pandemic. While this wave was a much severe humanitarian crisis, the lockdowns, however, were regional.

The challenges on the front of availability of semiconductors, escalating prices as also availability of raw materials, challenges on the front of logistics including non-availability and high prices of containers, among others, continue to hinder a smooth recovery.

The domestic auto sector could continue to face supply chain headwinds, especially due to semiconductor chips shortages, over the remainder of FY2021-22. This is likely to reduce the expected sales growth for the passenger vehicles (PV) segment, and to trim profitability, India Ratings and Research (Ind-Ra) said in a latest report.

It is expected that the semiconductor chips shortage to continue to the end of the first half of FY2022-23, though availability may gradually improve over this period. Original equipment manufacturers (OEMs) are reassessing supply chains to diversify and/or partially localise their raw material requirements over the near-to-medium term.

A third wave of pandemic is also anticipated, however the lessons from the first and second waves could help in coping with the overall crisis and current revival in demand could be a sustained one.

However, the Indian OEMs are keen to adopt new age Digital solutions like Telematics and associated services, where your company continues to stay focussed, invested to create cutting edge products and solutions.

## Opportunities

The next decade for the Indian automotive sector, the industry is being shaped by electronics which is one of the fastest growing automotive component segments.

Multiple factors are driving the growth of electronics in vehicles. Government safety norms, consumer demand for safer vehicles, and adoption of telematics systems are growth drivers for this market. As the mid and small-segment carmakers and two-wheeler companies also are starting to provide advanced features, demand for electronics is expected to remain robust in the near future. The major applications include safety, ADAS, infotainment, body electronics and powertrain. The shift is further catalysed by electrification.

The future of automotive is smart mobility. The car of the future will be software-driven. The Internet of Things (IoT) will make it connected and capable of not only monitoring its own components' health and the safety of conditions (telematics) around it but also communicating with other vehicles and with an increasingly intelligent road infrastructure (C-V2X). These features will become a must for all cars, and the exterior or body will become commoditized.

Globally, the vehicle telematics market is expected to grow from \$39 Billion to about \$103 Billion by 2022. In that time frame APAC, which includes India, is expected to grow to be the leading contributor to the CV telematics market. (Courtesy Roland Berger report). Commercial Vehicle telematics market is expected to grow at 25% per annum.

Telematics ecosystem will involve diversified competencies:

- Manufacturing of hardware
- Distribution Connected Vehicle devices
- Connectivity Hardware
- Connectivity Services
- Data Analytics and knowledge generation
- Creation of applications and software.

The opportunities for Indian telematics providers include:

- Connectivity solutions
- Driver assistance and related services
- IT services including Cyber security

## Threats, Risks and Concerns

A critical shortage of this important electronic component that began in the first quarter of 2021 has halted assembly lines around the world and India is no exception. The ongoing global chip crisis may douse the approaching festive season sparkles as the industry may have to scramble to meet the increased demand during this period. The situation has compelled vehicle makers to redesign products, source from the open market, and get into a three-way tie-up - i.e. car maker-tier I vendor and chipset maker. Due to the shortage, the vehicle makers are compelled to source parts from the open market at higher prices, affecting their margins.

According to analysts, chip supplies are expected to improve from Q3CY21 onward.

Moreover, the Indian telematics industry remains highly competitive. The competitive environment is further expected to intensify with increasing product extensions, more advanced offerings, technological innovations, and Mergers & Acquisitions.

Having recognized this, we have embarked upon re-design of our products to remain competitive at the same time combat the semiconductor parts shortage. We keep abreast of global developments as well as emerging technologies and develop innovative solutions of our own.

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.

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

### **Performance and Business Outlook**

Your company's Engineering Division continues to create Intellectual Property by developing various hardware and software solutions to address the domestic opportunities. Some of the products are going into production phase as well as new products are being piloted at several existing and potential new 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. Our continued relationship with Danlaw Inc. enables us to stay in the forefront of the "connected vehicle" space

Your company continues to expand its customer base and invest in the advanced technologies. These along with our continued commitment to customer satisfaction enables us to grow our revenues.

### **Internal Control System and its Adequacy**

Your Company has a policy of maintaining effective internal control system and focuses on strict implementation of these policies and procedures to safeguard 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.

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. 3,70,74,900/ comprising of 37,07,490 Equity Share of Rs. 10/each.

The net Revenue for current year are Rs.10,042 Lakhs as compared to Rs.5608 Lakhs in the last fiscal year. The net profit after tax is Rs.160 Lakhs as compared to Loss of Rs.520 Lakhs in the previous FY.

**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 125 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, Sirish Batchu, Managing Director and A V R K Varma, Chief Financial Officer 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 31<sup>st</sup> March 2021 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 : June 30, 2021**

**(Sirish Batchu)**  
**Managing Director**  
**DIN: 0008335245**

**(AVRK VARMA)**  
**CFO**



## INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**DANLAW TECHNOLOGIES INDIA LIMITED**

### Report on the Audit of the Standalone IND AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the Standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act based on our audit, we report that:
  - a) We have sought and 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, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
  - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company.

**Place: Hyderabad**  
**Date : 30.06.2021**

**for CSVR & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 012121S**

**(CA.VENKATESH.G.)**  
**PARTNER**  
**Membership No.239608**

**UDIN: 21239608AAAACQ1762**

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**  
(Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements, of our report of even date)

- (i) (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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no immovable property is held by the Company.
- (ii) Physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed.
- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLP) or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly, the provisions of paragraph 3 Clause (iii) of the Order are not applicable to this company.
- (iv) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013, with respect to providing guarantees during the year. However, company has not given any loans, Investments and security during the year under report.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under are not applicable.
- (vi) The maintenance of cost records has not been prescribed by the Central Government under subsection (1) of section 148 of the Companies Act for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to the company.
- (vii) (a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, Goods and Services Tax (GST), custom duty, cess and other material statutory dues as applicable to it.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, Goods and Services Tax (GST), customs duty and cess were in arrears, wherever applicable, as at 31<sup>st</sup> March, 2021 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of income tax, Goods and Services Tax (GST), customs duty and cess which have not been deposited on account of any dispute.

- (viii) The company has not availed any loans or borrowing from a financial institution or banks. Accordingly, paragraph 3 (viii) of the Order is not applicable.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the company or on the company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3 (xii) is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the company, transactions with related parties are in compliance with sections 177 and 188 of the Companies Act and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) is not applicable.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Place: Hyderabad**  
**Date : 30.06.2021**

**for CSV & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**Firm Regn. No. 012121S**

**(CA.VENKATESH.G.)**  
**PARTNER**  
**Membership No.239608**

**UDIN: 21239608AAAACQ1762**

## **ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company") as of 31 March 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting of the company.



## **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone Ind AS financial statements.

## **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

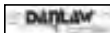
**Place: Hyderabad**

**Date : 30.06.2021**

**for CSVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S**

**(CA.VENKATESH.G.)  
PARTNER  
Membership No.239608**

**UDIN: 21239608AAAACQ1762**



**DANLAW TECHNOLOGIES INDIA LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,62,43,499	1,93,21,652
Other intangible assets	4	4,37,54,099	3,39,44,421
Right-of-use asset	5	99,45,846	2,34,06,073
Financial assets			
(a) Investments	6	15,90,66,245	15,90,66,245
(b) Other financial assets (carried at amortised cost)	7	63,35,488	56,58,758
Deferred tax assets (net)	16	2,08,60,916	1,06,82,241
Other non-current assets	8	36,03,601	41,72,137
<b>Total Non - Current Assets</b>		<b>25,98,09,694</b>	<b>25,62,51,527</b>
<b>Current Assets</b>			
Inventories	9	1,08,46,901	73,42,290
Financial assets			
(a) Trade receivables	10	3,60,14,768	3,68,44,779
(b) Cash and cash equivalents	11	2,59,05,401	4,14,96,928
(c) Other financial assets (carried at amortised cost)	7	16,09,596	10,66,658
Tax assets	15	18,64,169	14,21,289
Other current assets	8	57,75,707	4,78,40,843
<b>Total Current assets</b>		<b>8,20,16,542</b>	<b>13,60,12,787</b>
<b>Total Assets</b>		<b>34,18,26,236</b>	<b>39,22,64,314</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	3,70,74,900	3,70,74,900
Other equity	13	14,60,93,632	17,37,78,815
<b>Equity attributable to owners of the Company</b>		<b>18,31,68,532</b>	<b>21,08,53,715</b>
<b>Non-current liabilities</b>			
Financial Liabilities			
(a) Other financial liabilities	14	28,66,612	26,06,012
Leasehold Liabilities	5	-	1,02,43,663
Other non-current liabilities	17	24,11,661	26,38,885
<b>Total Non-current liabilities</b>		<b>52,78,273</b>	<b>1,54,88,560</b>
<b>Current liabilities</b>			
Financial liabilities			
(a) Trade payables			
(i) Total outstanding dues of micro and small enterprises		-	-
(ii) Total outstanding dues for creditors other than micro and small enterprises	18	3,48,38,436	3,26,43,534
(b) Other financial liabilities	14	1,39,222	2,91,252
Provisions	15	28,37,049	21,22,295
Leasehold Liabilities	5	1,10,48,830	1,44,80,382
Other current liabilities	17	10,45,15,894	11,63,84,576
<b>Total Current liabilities</b>		<b>15,33,79,431</b>	<b>16,59,22,039</b>
<b>Total liabilities</b>		<b>15,86,57,704</b>	<b>18,14,10,599</b>
<b>Total Equity and liabilities</b>		<b>34,18,26,236</b>	<b>39,22,64,314</b>
<b>Corporate information and significant accounting policies</b>			
The accompanying notes form an integral part of the financial statements	1 & 2 3-30		

As per our report attached  
For **CSVR & ASSOCIATES**  
Chartered Accountants  
FRN: 012121S

**(CA.VENKATESH G.)**  
Partner  
Membership No: 239608

Hyderabad  
June 30, 2021

for and on behalf of the Board  
**SIRISH BATCHU**                      **RAVI KUMAR TAMMA**  
Managing Director                      Director  
DIN: 08335245                      DIN: 05306747

**A V R K VARMA**                      **Gaurav Padmawar**  
Chief Financial Officer                      Company Secretary  
Membership No: ACS 44421



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Statement of Profit and Loss for the period ended March 31, 2021

Particulars	Notes	For the Year ended March 31, 2021	For the Year ended March 31, 2020
<b>INCOME</b>			
Revenue from operations	19	27,80,81,855	15,34,25,185
Other income (net)	20	1,09,02,699	1,14,51,003
<b>Total income</b>		<b>28,89,84,554</b>	<b>16,48,76,188</b>
<b>EXPENSES</b>			
Cost of materials consumed	22	18,24,77,894	5,93,07,331
Purchases of stock-in-trade		2,66,364	17,73,766
Changes in inventories of finished goods and work-in-progress	23	28,428	(4,61,993)
Employee benefits expense	21	9,84,51,782	9,28,81,069
Finance costs	24	13,88,607	24,26,156
Depreciation and amortisation expense	25	2,22,98,972	1,87,85,085
Other operating expenses	26	2,08,22,237	3,30,98,928
<b>Total expenses</b>		<b>32,57,34,284</b>	<b>20,78,10,342</b>
<b>Profit before tax</b>		<b>(3,67,49,730)</b>	<b>(4,29,34,154)</b>
<b>Tax expense</b>			
Current tax	16	-	-
Prior period tax	16	-	24,546
Deferred tax	16	(98,89,002)	(1,02,47,511)
<b>Total tax expense</b>		<b>(98,89,002)</b>	<b>(1,02,22,965)</b>
<b>Profit for the year</b>		<b>(2,68,60,728)</b>	<b>(3,27,11,189)</b>
<b>Other comprehensive income</b>			
A Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurements of the defined benefit plans		(11,14,128)	25,42,975
(b) Income tax relating to items that will not be reclassified to profit or loss		2,89,673	(6,61,174)
<b>Total other comprehensive income /(Losses)</b>		<b>(8,24,455)</b>	<b>18,81,801</b>
<b>Total comprehensive income for the year</b>		<b>(2,76,85,183)</b>	<b>(3,08,29,388)</b>
<b>Earnings per equity share</b>			
(Equity shares, par value of Rs. 10 each)			
Basic (Rs.)	30	(7.24)	(8.82)
Diluted (Rs.)		(7.24)	(8.82)
<b>Corporate information and significant accounting policies</b>			
The accompanying notes form an integral part of the statements	1 & 2 3-30		

As per our report attached  
For **CSVR & ASSOCIATES**  
Chartered Accountants  
FRN: 012121S

**(CA.VENKATESH G.)**  
Partner  
Membership No: 239608

Hyderabad  
June 30, 2021

for and on behalf of the Board  
**SIRISH BATCHU**                      **RAVI KUMAR TAMMA**  
Managing Director                      Director  
DIN: 08335245                      DIN: 05306747

**A V R K VARMA**                      **Gaurav Padmawar**  
Chief Financial Officer                      Company Secretary  
Membership No: ACS 44421



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Statement of changes in equity for the year ended March 31, 2021

**a. Equity**

Particulars	Number of Shares	Amount
Balance at March 31, 2019	37,07,490	3,70,74,900
Changes in equity share capital during the year	-	-
Balance at March 31, 2020	37,07,490	3,70,74,900
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	37,07,490	3,70,74,900

**b. Other Equity**

Particulars	Reserves and Surplus		Items of OCI	Total
	Securities premium reserve	Retained earnings		
Balance at March 31, 2019	26,51,02,850	(6,01,87,136)	(3,07,510)	20,46,08,204
Remeasurement of net defined benefit liability/asset, net of tax effect			18,81,800	18,81,800
Profit for the year		(3,27,11,189)		(3,27,11,189)
Balance at March 31, 2020	26,51,02,850	(9,28,98,325)	15,74,290	17,37,78,815
Remeasurement of net defined benefit liability/asset, net of tax effect			(8,24,456)	(8,24,456)
Profit for the year		(2,68,60,728)		(2,68,60,728)
Balance at March 31, 2021	26,51,02,850	(11,97,59,053)	7,49,834	14,60,93,631

As per our report attached  
For **CSV & ASSOCIATES**  
Chartered Accountants  
FRN: 0121215

**SIRISH BATCHU**  
Managing Director  
DIN: 08335245

for and on behalf of the Board  
**RAVI KUMAR TAMMA**  
Director  
DIN: 05306747

**(CA.VENKATESH G.)**  
Partner  
Membership No: 239608

**A V R K VARMA**  
Chief Financial Officer

**Gaurav Padmawar**  
Company Secretary  
Membership No: ACS 44421

Hyderabad  
June 30, 2021

**DANLAW TECHNOLOGIES INDIA LIMITED**  
Statement of Cash Flows

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	(3,78,63,858)		(4,03,91,179)	
<i>Adjustments for:</i>				
Depreciation and amortisation expense	88,38,745		46,34,735	
Operating profit before working capital changes		(2,90,25,113)		(3,57,56,444)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	8,30,011		2,49,73,854	
Other financial assets	4,14,14,004		(1,41,21,382)	
Inventories	(35,04,611)		1,28,43,418	
Other assets	1,30,17,347		(2,31,39,579)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	21,94,902		(3,38,06,143)	
Other financial liabilities	1,08,570		(9,21,951)	
Other liabilities	(2,57,71,121)		11,27,13,833	
Provisions	7,14,754		(13,18,500)	
Cash generated from operations		(21,257)		4,14,67,106
Net income tax paid		-		(23,746)
Net cash flow from operating activities (A)		(21,257)		4,14,43,360
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on fixed assets, including capital advances	(12,99,911)		(1,39,49,416)	
Investment in Research & Development	(1,42,70,359)		(3,21,58,992)	
Net cash (used in) / flow from investing activities (B)		(1,55,70,270)		(4,61,08,408)
Net (decrease) in Cash and cash equivalents (A+B+C)		(1,55,91,527)		(46,65,048)
Cash and cash equivalents at the beginning of the year		4,14,96,928		4,61,61,976
Cash and cash equivalents at the end of the year (Refer Note (i) below)		2,59,05,401		4,14,96,928

As per our report attached  
For **CSV & ASSOCIATES**  
Chartered Accountants  
FRN: 0121215

**SIRISH BATCHU**  
Managing Director  
DIN: 08335245

for and on behalf of the Board  
**RAVI KUMAR TAMMA**  
Director  
DIN: 05306747

**(CA.VENKATESH G.)**  
Partner  
Membership No: 239608

**A V R K VARMA**  
Chief Financial Officer

**Gaurav Padmawar**  
Company Secretary  
Membership No: ACS 44421

Hyderabad  
June 30, 2021



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Stand alone financial statements

**3. Property, plant and equipment and capital work -in-progress**

Description of Assets	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
<b>I. Cost or deemed cost</b>								
Balance as at March 31, 2019	14,84,850	85,35,853	38,01,332	8,48,566	92,43,645	31,57,424	45,44,721	3,16,16,391
Additions	-	23,06,499	47,86,754	6,60,455	38,60,670	22,67,038	-	1,38,81,416
Balance as at March 31, 2020	14,84,850	1,08,42,352	85,88,086	15,09,021	1,31,04,315	54,24,462	45,44,721	4,54,97,807
Additions	-	12,12,338	24,030	49,143	-	-	-	12,85,511
Balance as at March 31, 2021	14,84,850	1,20,54,690	86,12,116	15,58,164	1,31,04,315	54,24,462	45,44,721	4,67,83,318
<b>II. Accumulated depreciation</b>								
Balance as at March 31, 2019	5,97,023	54,99,800	16,31,386	4,69,062	83,79,788	23,13,957	36,82,392	2,25,73,408
Depreciation expense for the year	49,446	18,88,447	4,97,066	2,12,743	3,46,719	2,72,176	3,36,150	36,02,747
Balance as at March 31, 2020	6,46,469	73,88,247	21,28,452	6,81,805	87,26,507	25,86,133	40,18,542	2,61,76,155
Depreciation expense for the year	49,446	20,97,809	8,33,597	2,58,121	4,95,510	3,53,206	2,75,975	43,63,664
Balance as at March 31, 2021	6,95,915	94,86,056	29,62,049	9,39,926	92,22,017	29,39,339	42,94,517	3,05,39,819
<b>III. Carrying Amount</b>								
Carrying Amount	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
Balance as at March 31, 2019	8,87,827	30,36,053	21,69,946	3,79,504	8,63,857	8,43,467	8,62,329	90,42,983
Additions	-	23,06,499	47,86,754	6,60,455	38,60,670	22,67,038	-	1,38,81,416
Depreciation expense	(49,446)	(18,88,447)	(4,97,066)	(2,12,743)	(3,46,719)	(2,72,176)	(3,36,150)	(36,02,747)
Balance as at March 31, 2020	8,38,381	34,54,105	64,59,634	8,27,216	43,77,808	28,38,329	5,26,179	1,93,21,652
Additions	-	12,12,338	24,030	49,143	-	-	-	12,85,511
Depreciation expense	(49,446)	(20,97,809)	(8,33,597)	(2,58,121)	(4,95,510)	(3,53,206)	(2,75,975)	(43,63,664)
Balance as at March 31, 2021	7,88,935	25,68,634	56,50,067	6,18,238	38,82,298	24,85,123	2,50,204	1,62,43,499

**4. : Other intangible assets**

Description of Assets	Computer software	R & D Expenses	Total
<b>I. Cost or deemed cost</b>			
Balance as at March 31, 2019	58,72,484	-	58,72,484
Additions	68,000	3,21,58,992	3,22,26,992
Balance as at March 31, 2020	59,40,484	3,21,58,992	3,80,99,476
Additions	14,400	1,42,70,359	1,42,84,759
Balance as at March 31, 2021	59,54,884	4,64,29,351	5,23,84,235
<b>II. Accumulated depreciation and impairment</b>			
Balance as at March 31, 2019	31,23,066	-	31,23,066
Amortisation expense for the year	10,31,989	-	10,31,989
Balance as at March 31, 2020	41,55,055	-	41,55,055
Amortisation expense for the year	9,90,659	34,84,422	44,75,081
Balance as at March 31, 2021	51,45,714	34,84,422	86,30,136
<b>III. Carrying Amount</b>			
Balance as at March 31, 2019	27,49,418	-	27,49,418
Additions	68,000	3,21,58,992	3,22,26,992
Depreciation expense	10,31,989	-	10,31,989
Balance as at March 31, 2020	17,85,429	3,21,58,992	3,39,44,421
Additions	14,400	1,42,70,359	1,42,84,759
Depreciation expense	9,90,659	34,84,422	44,75,081
Balance as at March 31, 2021	8,09,170	4,29,44,929	4,37,54,099

**Research and Development :**

Direct expenses incurred on R&D during the year for the development of products are treated as deferred revenue expenditure. The amount shall be amortized against the revenues to be earned over period of time, to be determined at the time of each product launch.

**5. Leasehold Liabilities**

The Company has adopted Ind AS 116 "Leases" with the date of inception of the lease being April 1, 2019 and has discounted lease payments using

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 10.7%

Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021:

Particulars	Amount as on 01-04-2020	Additions	Termination during the year	Amortisation	Carrying Value as on 31-03-2021
Leasehold Assets	2,34,06,073	-	-	(1,34,60,227)	99,45,846

The following is the break-up of current and non-current lease liabilities as at March 31, 2021:

Particulars	31-Mar-21
Current	1,10,48,830
Non – Current	0
<b>Total</b>	<b>1,10,48,830</b>

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	31-Mar-21
Balance as on 01-04-2020	2,47,24,045
Additions to lease Liabilities	-
Termination during the year	-
Interest Expense	11,27,535
Cash Outflows during the year	(1,48,02,750)
Balance as on 31-03-2021	<b>1,10,48,830</b>


**6. Investments**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>A. Non-current investments (Refer Note 1 below)</b>		
<b>Investment carried at cost</b>		
(i) Equity instruments of Subsidiaries (unquoted)		
Danlaw Technologies Inc, USA	2,95,66,245	2,95,66,245
Danlaw Electronics Assembly Ltd	12,95,00,000	12,95,00,000
	<b>15,90,66,245</b>	<b>15,90,66,245</b>

Particulars	As at March 31, 2021		As at March 31, 2020	
	QTY	Amount	QTY	Amount
<b>Investments In Subsidiaries</b>				
<b>I. Unquoted Investments (all fully)</b>				
Investments in Equity Instruments				
- of Subsidiaries				
<b>(a) - Wholly owned subsidiary</b>	64,000	\$ 6,40,000	64,000	\$ 6,40,000
<b>(Danlaw Technologies Inc)</b>		2,95,66,245		2,95,66,245
<b>(b) - Subsidiary</b>	36,18,772		36,18,772	
<b>(Danlaw Electronics</b>		12,95,00,000		12,95,00,000
<b>Assembly Ltd)</b>				

**7. Other financial assets (carried at amortised cost)**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current</b>		
<b>Security deposits</b>		
- Secured, considered good		
- Unsecured, considered	63,35,488	56,58,758
<b>Total non-current other financial</b>	<b>63,35,488</b>	<b>56,58,758</b>
<b>Current</b>		
Interest accrued on deposits	16,09,596	9,06,780
Security deposits	-	1,59,878
<b>Total current other financial assets</b>	<b>16,09,596</b>	<b>10,66,658</b>
<b>Total other financial assets</b>	<b>79,45,084</b>	<b>67,25,416</b>

**8. Other assets**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-current</b>		
Prepaid expenses	36,03,601	41,72,137
<b>Total non-current assets</b>	<b>36,03,601</b>	<b>41,72,137</b>
<b>Current:</b>		
Prepaid expenses	12,97,496	25,55,399
Balance with government	25,70,427	21,54,442
Advances recoverable in cash or	15,14,531	4,27,77,077
Lease Rentals Equalisation	3,93,253	3,53,925
<b>Total current assets</b>	<b>57,75,707</b>	<b>4,78,40,843</b>
<b>Total other assets</b>	<b>93,79,308</b>	<b>5,20,12,980</b>

**9. Inventories**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Current</b>		
Inventories (lower of cost and net		
Raw materials	8,16,530	41,58,410
Finished goods	1,00,30,371	31,83,880
<b>Total</b>	<b>1,08,46,901</b>	<b>73,42,290</b>

**10. Trade receivables**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Trade receivables Non Current</b>		
<b>Trade receivables - Current</b>		
Unsecured, considered good	3,60,14,768	3,68,44,779
Doubtful		
<b>Total</b>	<b>3,60,14,768</b>	<b>3,68,44,779</b>

**Note - 11: Cash and Bank Balances**

Particulars	As at	
	March 31, 2021	March 31, 2020
Balances with Banks		
in current accounts	66,13,919	3,22,08,187
in deposit accounts	1,92,73,842	92,73,842
Cash on hand	17,640	14,899
<b>Total Cash and cash equivalents</b>	<b>2,59,05,401</b>	<b>4,14,96,928</b>
<b>Cash and cash equivalents as per</b>	<b>2,59,05,401</b>	<b>4,14,96,928</b>
<b>Statement of Cash flows</b>		

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**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Stand alone financial statements

**12. Equity share capital**

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Authorised share capital:</b> 5000000 fully paid up equity shares	5,00,00,000	5,00,00,000
<b>Issued and subscribed capital:</b> Issued Equity Share capital	3,70,74,900	3,70,74,900
<b>Total</b>	<b>3,70,74,900</b>	<b>3,70,74,900</b>

Notes:

**(A) Reconciliation of the number of shares outstanding:**

Particulars	Number of shares	Amount
<b>Balance at March 31, 2019</b>	<b>37,07,490</b>	<b>3,70,74,900</b>
Issue of shares under the	-	-
Buyback of shares	-	-
<b>Balance at March 31, 2020</b>	<b>37,07,490</b>	<b>3,70,74,900</b>
Issue of shares under the	-	-
Buyback of shares	-	-
<b>Balance at March 31, 2021</b>	<b>37,07,490</b>	<b>3,70,74,900</b>

**(B) Details of shares held by each shareholder holding more than 5% shares**

	As at March 31		As at March 31	
	2021		2020	
	Number of shares	% holding of	Number of shares	% holding of
<b>Fully paid equity shares</b>				
Danlaw Systems India Limited	14,61,592	39.29%	14,61,592	39.29%

**13. Other equity excluding non-controlling interests**

Particulars	As at March 31	As at March 31
	2021	2020
General reserve		
Securities premium account	26,51,02,850	26,51,02,850
Retained earnings	(11,90,09,218)	(9,13,24,035)
<b>Balance at end of year</b>	<b>14,60,93,632</b>	<b>17,37,78,815</b>

13.2 Securities premium reserve	As at March 31	As at March 31
	2021	2020
Balance at beginning of year	26,51,02,850	26,51,02,850
Used for Buyback of shares	-	-
<b>Balance at end of year</b>	<b>26,51,02,850</b>	<b>26,51,02,850</b>

13.3 Retained earnings	As at	As at
	March 31, 2021	March 31, 2020
Balance at beginning of year	(9,13,24,035)	(6,04,94,647)
Profit attributable to owners of the Company	(2,68,60,728)	(3,27,11,189)
Remeasurements of the defined benefit plans	(8,24,455)	18,81,801
<b>Balance at end of year</b>	<b>(11,90,09,218)</b>	<b>(9,13,24,035)</b>

**14. Other financial liabilities**

Particulars	As at March 31,	As at March 31,
	2021	2020
<b>Non - Current</b>		
Retention monies		
Security deposits	28,66,612	26,06,012
<b>Total</b>	<b>28,66,612</b>	<b>26,06,012</b>
<b>Current</b>		
(i) Others	1,39,222	2,91,252
<b>Total</b>	<b>1,39,222</b>	<b>2,91,252</b>

**15. Provisions**

Particulars	As at March 31,	As at March 31,
	2021	2020
<b>Provisions</b>		
Employee benefits	28,37,049	34,40,795
<b>Current</b>	<b>28,37,049</b>	<b>34,40,795</b>



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Stand alone financial statements

**16. Income taxes**

**16.1 Deferred tax balance**

Particulars	As at March 31,	
	2021	2020
Deferred tax assets	213,96,153	115,39,014
Deferred tax liabilities	(535237)	(856773)
<b>Total</b>	<b>208,60,916</b>	<b>106,82,241</b>
<b>2020-21</b>	Opening Balance	Recognised in profit or loss
Deferred tax (liabilities)/ assets in relation to Depreciation & Amortization	(31,863)	2,45,538
Employee benefit expense OCI	(8,24,910)	2,89,673
MAT Credit	12,64,186	-
Others	1,02,74,828	96,43,464
<b>Total</b>	<b>1,06,82,241</b>	<b>1,01,78,675</b>

**16.2. Tax assets and liabilities**

Particulars	As at March 31,	
	2021	2020
<b>Tax assets</b>		
Current	18,64,169	14,21,289
<b>Current tax liabilities</b>		
Income tax payable	-	-
<b>Total Current tax liabilities</b>	<b>-</b>	<b>-</b>

**16.3 - Tax Expense**

**a) Recognised in statement of profit and loss**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 20120
<b>Current tax</b>		
In respect of the current year	-	-
In respect of prior years	-	24,546
	-	<b>24,546</b>
<b>Deferred tax</b>		
In respect of the current year	98,89,002	(1,02,47,511)
	<b>98,89,002</b>	<b>(1,02,47,511)</b>

**b) Recognised in Other comprehensive Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
<b>Deferred tax</b>		
In respect of the current year	(2,89,673)	6,61,174
	<b>(2,89,673)</b>	<b>6,61,174</b>

*The Income tax expense for the year can be reconciled to the accounting profit as follows*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax from continuing ope	(3,78,63,858)	(4,03,91,179)
Income tax expense calculated	-	-
Depreciation adjustment	9,44,369	(1,05,067)
Expenses disallowed under Income	472	13,628
Set off of losses	-	-
Taxable Income	(3,69,19,017)	(4,04,82,618)
Tax Rate	0.00%	0.00%



**17. Other liabilities**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non - Current</b>		
Revenue received in advance	24,11,661	26,38,885
<b>Total</b>	<b>24,11,661</b>	<b>26,38,885</b>
<b>Current</b>		
Advance from customers	10,06,38,593	11,35,36,052
Statutory remittances	37,92,504	25,82,291
Others	84,797	2,66,233
<b>Total</b>	<b>10,45,15,894</b>	<b>11,63,84,576</b>

**18. Trade Payables**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Trade Payables - Current</b>		
Dues to micro enterprises and small	-	-
Dues to creditors other than micro	3,48,38,436	3,26,43,534
<b>Total</b>	<b>3,48,38,436</b>	<b>3,26,43,534</b>

**19. Revenue from operations**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Sale of services	5,59,57,854	7,07,85,419
Sale of products	22,21,24,001	8,26,39,766
<b>Total</b>	<b>27,80,81,855</b>	<b>15,34,25,185</b>

**20. Other income (net)**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest income on financial assets carried at amortised cost</b>		
Bank deposits	9,15,503	4,10,453
Interest on Income Tax	86,450	4,08,006
Others - Ind AS	5,16,852	4,55,268
	<b>15,18,805</b>	<b>12,73,727</b>
<b>Other non-operating income</b>		
Lease Rentals	88,08,800	94,38,000
Lease Rentals - Ind AS	1,86,796	3,53,925
Financial lease contingent rental income (net of expenses directly attributable to such income)		
Liabilities no longer required, written back		
Miscellaneous income ( net)	3,88,298	3,85,351
	<b>93,83,894</b>	<b>1,01,77,276</b>
<b>Total</b>	<b>1,09,02,699</b>	<b>1,14,51,003</b>

**21. Employee Benefits Expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	8,97,68,583	7,94,74,696
Contribution to provident and other funds	66,65,068	87,45,575
Staff welfare expenses	20,18,131	46,60,798
<b>Total</b>	<b>9,84,51,782</b>	<b>9,28,81,069</b>

**22. Cost of materials consumed**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Opening stock	41,58,410	174,63,821
(b) Add: Purchases	18,60,10,932	460,01,920
(c) Less: Closing stock	,76,91,448	41,58,410
	<b>18,24,77,894</b>	<b>593,07,331</b>

**23. Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening Stock:</b>		
Finished goods	31,83,880	27,21,887
Work-in-progress	-	-
	<b>31,83,880</b>	<b>27,21,887</b>
<b>Closing Stock:</b>		
Finished goods	31,55,452	31,83,880
Work-in-progress	-	-
	<b>31,55,452</b>	<b>31,83,880</b>
<b>Net (increase) / decrease</b>	<b>28,428</b>	<b>(4,61,993)</b>



#### 24. Finance costs

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest expense</b>		
- Interest Ind AS	13,88,135	24,12,622
- Other interest expense	472	13,534
<b>Total</b>	<b>13,88,607</b>	<b>24,26,156</b>

#### 25. Depreciation and amortisation expense

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	43,63,664	36,02,747
Amortisation of intangible assets	179,35,308	151,82,338
<b>Total</b>	<b>222,98,972</b>	<b>187,85,085</b>

#### 26. Other operating expenses

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Rent including lease rentals (Refer		71,64,502		78,36,170
Rates and taxes		3,50,928		7,08,695
Insurance		1,50,271		1,12,648
Freight Outwards		2,33,276		4,41,002
Travelling and conveyance		15,62,751		68,21,430
Sub-contracting charges		7,93,276		33,20,738
Communication		4,91,294		5,43,625
Printing and stationery		1,53,256		3,28,635
Power and fuel		16,25,408		18,82,773
Marketing and advertising expenses		25,500		2,31,954
Repairs and maintenance				
- Buildings		6,17,480		7,68,894
- Machinery		4,90,617		2,49,973
- Security		6,96,000		6,69,424
- House Keeping		5,09,696		6,74,777
- Vehicles		1,62,356		3,87,798
- Office Maintenance		2,64,285		4,25,837
Directors Remuneration				
- Non executive directors		-		-
- Directors sitting fees	2,00,000	2,00,000	4,60,000	4,60,000
Auditors' remuneration (Refer Note		2,71,600		3,15,540
Recruitment expenses		1,80,665		3,41,111
Foreign exchange loss		4,02,215		12,73,337
Depository Registrar Fee		2,25,087		2,48,663
Listing Fee		3,00,000		3,00,000
Registration/ Licences/ Filing fee		12,38,525		7,45,965
Professional Fee		23,73,409		32,69,482
Bank charges		1,99,267		4,65,132
Miscellaneous expenses		1,40,573		2,75,325
<b>Total</b>		<b>2,08,22,237</b>		<b>3,30,98,928</b>

#### i) Auditors' remuneration(net of service tax) comprises of:

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Company</b>		
For statutory audit	2,42,000	2,42,000
For other services	24,000	24,000
Reimbursement of expenses	5,600	5,600
<b>Total Auditors' remuneration</b>	<b>2,71,600</b>	<b>2,71,600</b>



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Stand alone financial statements

**27. Managerial Remuneration**

The following managerial remuneration was paid as per board of director's decision and approved by shareholders.		
Salary	1,01,47,107	18,00,000
Contribution to PF	1,91,196	2,16,000
Medical	15,364	4,353
<b>Total</b>	<b>1,03,53,667</b>	<b>20,20,353</b>

**28. Contingent Liabilities:**

Bank Guarantees	92,83,850	26,54,161
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**29. Related party disclosures**

Related Party Transaction	Relation	Transactions for the year ended		Balance as at March 31	
		2021	2020	2021	2020
<b>Sales &amp; Services</b>					
Danlaw Technologies Inc	Subsidiary	-	1,47,44,100	(9,00,932)	(9,00,932)
Danlaw Inc	Associate	4,02,75,280	4,00,49,987	(9,94,24,239)	(11,22,58,330)
Danlaw Electronics Assembly Ltd	Subsidiary	-	2,67,500	-	-
<b>Purchases</b>					
Danlaw Inc	Associate	-	-	-	66,95,737
Danlaw Electronics Assembly Ltd	Subsidiary	20,16,11,001	1,29,76,798	3,03,91,950	-
<b>Remuneration</b>					
Directors	KMP	1,03,53,667	20,20,353	-	-
<b>Lease Rentals</b>					
D Lakshmi	Relative of KMP -	36,26,748	34,52,904	-	3,18,341
DSN Raju	Relative of KMP -	36,26,748	34,52,904	-	3,18,341
<b>Investments</b>					
Danlaw Technologies Inc	Subsidiary	-	-	2,95,66,245	2,95,66,245
Danlaw Electronics Assemble Ltd	Subsidiary	-	-	12,95,00,000	12,95,00,000

The Transactions with related parties have been carried at arm's length price and also supported by the documentation reflecting the

**30. Earnings per share**

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit after tax	(2,68,60,728)	(3,27,11,189)
<b>Basic:</b>		
Number of shares outstanding at	37,07,490	37,07,490
Earnings per share (°)	-7.24	-8.82
<b>Diluted:</b>		
Effect of potential equity shares on		
Weighted average number of equity	37,07,490	37,07,490
Earnings per share (°)	-7.24	-8.82

Note: EPS is calculated based on profits excluding the other comprehensive income

**Financial Instruments**

**Financial instruments by category**

The carrying value and fair value of financial instruments carried at amortised cost

Particulars	Level	Carrying Value as at March 31,		Fair Value as at March 31,	
		2021	2020	2021	2020
<b>Assets:</b>					
<b>Non-Current</b>					
Other Financial Assets	3	63,35,488	56,58,758	56,58,758	45,38,074
<b>Current</b>					
Trade receivables	3	3,60,14,768	3,68,44,779	3,60,14,768	3,68,44,779
Cash and cash equivalents	3	2,59,05,401	4,14,96,928	2,59,05,401	4,14,96,928
Other financial assets	3	16,09,596	10,66,658	16,09,596	10,66,658
<b>Total</b>		<b>6,98,65,253</b>	<b>8,50,67,123</b>	<b>6,91,88,523</b>	<b>8,50,67,123</b>
<b>Liabilities:</b>					
<b>Current</b>					
Trade payables	3	3,48,38,436	3,26,43,534	3,48,38,436	3,26,43,534
<b>Total</b>	<b>3</b>	<b>3,48,38,436</b>	<b>3,26,43,534</b>	<b>3,48,38,436</b>	<b>3,26,43,534</b>

There are no financial instruments of the company that are subsequently measured at fair value.

**Fair value hierarchy**

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values of the current financial assets and current financial liabilities are taken as fair values because of their short term nature

The fair of non current financial assets is determined by using the discounted cash flow method by the management



**INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED  
IND AS FINANCIAL STATEMENTS**

To  
The Members of  
**M/s. DANLAW TECHNOLOGIES INDIA LIMITED**

**Report on the Audit of the Consolidated Ind AS financial statements**

**Opinion**

We have audited the accompanying consolidated Ind AS financial statements of **M/s.DANLAW TECHNOLOGIES INDIA LIMITED** ("the Company"), its subsidiaries Namely Danlaw Technologies Inc. & Danlaw Electronics Assembly Limited (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March, 2021, the Consolidated Statement of Profit and Loss (including consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Company as at March 31, 2021, the consolidated Profit, consolidated total comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## **Management's Responsibility for the Consolidated Ind AS financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of the adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## **Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company and its subsidiary companies which are companies incorporated in India, has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Consolidated Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in the "Annexure A"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Group does not have any pending litigations which would impact its financial position in its consolidated Ind AS financial statements.

- (ii) The Group has not entered into any long-term contracts including derivatives contracts requiring provision under applicable laws or accounting standards, for material foreseeable losses and
- (iii) There have been no amounts, required to be transferred, to the Investor Education and Protection Fund by the Group in accordance with the relevant provisions of the Companies Act, 2013.

### Other Matters

We did not audit the financial statements of subsidiaries included in the consolidated annual financial results, whose information is as under.

Particulars	Danlaw Technologies Inc. (in \$)	Danlaw Electronics Assembly Limited (in Rs.)
Revenue	15,000	88,04,02,963
Profit after Tax	-1,532	4,24,60,341
Total Assets as on 31.03.2021	8,77,563	58,03,22,229

These subsidiaries annual financial statements and other financial information have been audited / reviewed by other auditors whose reports have been furnished to us, and our opinion on the annual financial results, to the extent they have been derived from such annual financial statements is based solely on the report of such other auditors. Our opinion is not modified in respect of this matter.

For CSV& ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 012121S

PLACE : HYDERABAD  
DATE : 30.06.2021

(CA. VENKATESH.G.)  
PARTNER  
Membership No.239608

UDIN: 21239608AAAACR4571



## **ANNEXURE –A TO THE CONSOLIDATED AUDITOR’S REPORT**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

In conjunction with our audit of the consolidated Ind AS financial statements of the group as of and for the year ended 31<sup>st</sup> March, 2021, we have audited the internal financial controls over financial reporting of **M/s. DANLAW TECHNOLOGIES INDIA LIMITED** (“the Company”) and its subsidiary company which are incorporated in India as of that date.

#### **Management’s Responsibility for Internal Financial Controls**

The respective Board of Directors of the Holding company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to group’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the group’s internal financial controls over financial reporting of the company and its subsidiary companies, which are incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the group's internal financial controls system over financial reporting of the company and its subsidiary companies, which are incorporated in India.

### **Meaning of Internal Financial Controls over Financial Reporting**

A group's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. The group's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the group; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the group are being made only in accordance with authorisations of management and directors of the group; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the group's assets that could have a material effect on the Ind AS financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Holding Company and its subsidiary company, which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For CSVR & ASSOCIATES  
CHARTERED ACCOUNTANTS  
Firm Regn. No. 012121S**

**PLACE : HYDERABAD  
DATE : 30.06.2021**

**(CA. VENKATESH. G.)  
PARTNER  
Membership No.239608  
UDIN: 21239608AAAACR4571**







## DANLAW TECHNOLOGIES INDIA LIMITED

Consolidated Statement of changes in equity for the year ended March 31, 2021

## a. Equity

Particulars	Number of Shares	Amount
Balance at March 31, 2019	37,07,490	3,70,74,900
Changes in equity share capital during the year		
Balance at March 31, 2020	37,07,490	3,70,74,900
Changes in equity share capital during the year	-	-
Balance at March 31, 2021	37,07,490	3,70,74,900

## b. Other Equity

Particulars	Attributable to Equity shareholders of Parent Company						Total
	Reserves and Surplus		Items of OCI		Total other Equity	Non Controlling Interest	
	Securities premium reserve	Foreign Currency Translation Reserve	Retained Earnings	Other items of other comprehensive income			
Balance at March 31, 2019	26,51,02,850	96,97,554	(5,00,51,677)	(5,57,360)	22,41,91,367	3,49,22,754	25,91,14,121
Through acquisitions					-		-
Exchange difference arising on translating the foreign operation		46,83,486			46,83,486		46,83,486
Remeasurement of net defined benefit liability/asset, net of tax effect (refer note **)				15,30,081	15,30,081	(1,50,737)	13,79,344
Profit for the year			(4,53,48,560)		(4,53,48,560)	(66,92,920)	(5,20,41,480)
Adj / profit on sale on shares in subsidiary					-		-
Balance at March 31, 2020	26,51,02,850	1,43,81,040	(9,54,00,237)	9,72,721	18,50,56,374	2,80,79,097	21,31,35,471
Exchange difference arising on translating the foreign operation		(36,78,925)			(36,78,925)		(36,78,925)
Remeasurement of net defined benefit liability/asset, net of tax effect (refer note **)				(11,63,412)	(11,63,412)	(1,45,268)	(13,08,680)
Profit for the year			31,00,331		31,00,331	1,28,83,370	1,59,83,701
Balance at March 31, 2021	26,51,02,850	1,07,02,115	(9,22,99,906)	(1,90,691)	18,33,14,368	4,08,17,199	22,41,31,567

As per our report attached

For **CSVR & ASSOCIATES**

Chartered Accountants

FRN: 0121215

**(CA.VENKATESH G.)**

Partner

Membership No: 239608

Hyderabad

June 30, 2021

**SIRISH BATCHU**

Managing Director

DIN: 08335245

**A V R K VARMA**

Chief Financial Officer

for and on behalf of the Board

**RAVI KUMAR TAMMA**

Director

DIN: 05306747

**Gaurav Padmawar**

Company Secretary

Membership No: ACS 44421

## DANLAW TECHNOLOGIES INDIA LIMITED

Consolidated Statement of Cash Flows

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Profit before tax	2,48,61,212		(6,47,64,200)	
<i>Adjustments for:</i>				
Depreciation and amortisation expense	2,59,23,130		1,78,86,541	
<b>Operating profit before working capital changes</b>		5,07,84,342		(4,68,77,659)
<i>Changes in working capital:</i>				
<i>Adjustments for (increase) / decrease in operating assets:</i>				
Trade receivables	(2,40,61,865)		1,56,74,970	
Other financial assets	(1,47,20,246)		(45,16,478)	
Inventories	(3,79,10,392)		(61,46,843)	
Other assets	(1,59,91,552)		(2,66,06,691)	
<i>Adjustments for increase / (decrease) in operating liabilities:</i>				
Trade payables	(2,73,26,254)		(14,35,093)	
Other financial liabilities	7,70,15,730		3,67,52,149	
Other liabilities	(38,55,129)		11,04,16,831	
Provisions	55,76,861		37,32,274	
<b>Cash generated from operations</b>		95,11,495		8,09,93,460
Net income tax paid		(1,18,05,276)		(2,95,248)
<b>Net cash flow from operating activities (A)</b>		(22,93,781)		8,06,98,212
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Capital expenditure on fixed assets, including capital advances	(7,01,18,917)		(9,93,94,814)	
Proceeds from sale of fixed assets	2,25,982		1,51,253	
Investment in Research & Development	(1,42,70,359)			
<b>Net cash (used in) / flow from investing activities (B)</b>		(8,41,63,294)		(9,92,43,561)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>				
Proceeds from Borrowings	6,81,93,183			
<b>Net cash flow (used in) financing activities (C)</b>		6,81,93,183		-
<b>Net (decrease) in Cash and cash equivalents (A+B+C)</b>		(1,82,63,892)		(1,85,45,349)
<b>Cash and cash equivalents at the beginning of the year</b>		5,48,26,698		6,86,88,561
Effect of exchange differences on translation of foreign		(36,78,925)		46,83,486
<b>Cash and cash equivalents at the end of the year (Refer Note (i) below)</b>		3,28,83,881		5,48,26,698

As per our report attached

For **CSVR & ASSOCIATES**

Chartered Accountants

FRN: 0121215

**(CA.VENKATESH G.)**

Partner

Membership No: 239608

Hyderabad

June 30, 2021

**SIRISH BATCHU**

Managing Director

DIN: 08335245

**A V R K VARMA**

Chief Financial Officer

for and on behalf of the Board

**RAVI KUMAR TAMMA**

Director

DIN: 05306747

**Gaurav Padmawar**

Company Secretary

Membership No: ACS 44421



## DANLAW TECHNOLOGIES INDIA LIMITED

Notes forming part of the Consolidated financial statements

## 3. Property, plant and equipment and capital work -in-progress

Description of Assets	Buildings	Leasehold improvements	Computers	Plant and equipment	Office equipment	Furniture and fixtures	Electrical installations	Vehicles	Total
<b>I. Cost or deemed cost</b>									
<b>Balance as at March 31, 2019</b>	<b>4,60,71,664</b>	<b>14,84,850</b>	<b>85,35,853</b>	<b>18,29,65,825</b>	<b>71,09,522</b>	<b>1,29,21,406</b>	<b>31,57,424</b>	<b>82,30,951</b>	<b>27,04,77,495</b>
Additions	69,62,463	-	23,06,499	4,89,66,973	7,47,955	65,16,733	22,67,038	-	6,77,67,661
Disposals	-	-	-	(1,17,554)	(21,199)	(12,500)	-	-	(1,51,253)
Additions through business combination	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>5,30,34,127</b>	<b>14,84,850</b>	<b>1,08,42,352</b>	<b>23,18,15,244</b>	<b>78,36,278</b>	<b>1,94,25,639</b>	<b>54,24,462</b>	<b>82,30,951</b>	<b>33,80,93,903</b>
Additions	19,67,950	-	12,12,338	6,55,72,553	12,09,548	1,42,128	-	-	7,01,04,517
Disposals	-	-	-	(1,36,863)	(787)	(88,332)	-	-	(2,25,982)
Additions through business combination	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>5,50,02,077</b>	<b>14,84,850</b>	<b>1,20,54,690</b>	<b>29,72,50,934</b>	<b>90,45,039</b>	<b>1,94,79,435</b>	<b>54,24,462</b>	<b>82,30,951</b>	<b>40,79,72,438</b>
<b>II. Accumulated depreciation</b>									
<b>Balance as at March 31, 2019</b>	<b>2,02,49,677</b>	<b>5,97,023</b>	<b>54,99,800</b>	<b>10,01,96,378</b>	<b>57,67,666</b>	<b>1,10,12,799</b>	<b>23,13,957</b>	<b>56,76,427</b>	<b>15,13,13,727</b>
Depreciation expense for the year	19,62,347	49,446	18,88,447	1,11,19,219	3,55,211	5,74,165	2,72,176	6,33,593	1,68,54,604
Acquisitions through business combinations	-	-	-	-	-	-	-	-	-
Eliminated on disposal of assets	-	-	-	(69,343)	(15,455)	(6,822)	-	-	(91,620)
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>2,22,12,024</b>	<b>6,46,469</b>	<b>73,88,247</b>	<b>11,12,46,254</b>	<b>61,07,422</b>	<b>1,15,80,142</b>	<b>25,86,133</b>	<b>63,10,020</b>	<b>16,80,76,711</b>
Depreciation expense for the year	20,03,416	49,446	20,97,809	1,49,99,672	4,47,868	9,34,872	3,53,206	5,62,090	2,14,48,379
Acquisitions through business combinations	-	-	-	1,284	(7)	(1,607)	-	-	(330)
Eliminated on disposal of assets	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2021</b>	<b>2,42,15,440</b>	<b>6,95,915</b>	<b>94,86,056</b>	<b>12,62,47,210</b>	<b>65,55,283</b>	<b>1,25,13,407</b>	<b>29,39,339</b>	<b>68,72,110</b>	<b>18,95,24,760</b>
<b>III. Carrying Amount</b>									
<b>Carrying Amount</b>	<b>Buildings</b>	<b>Leasehold improvements</b>	<b>Computers</b>	<b>Plant and equipment</b>	<b>Office equipment</b>	<b>Furniture and fixtures</b>	<b>Electrical installations</b>	<b>Vehicles</b>	<b>Total</b>
<b>Balance as at March 31, 2019</b>	<b>2,58,21,987</b>	<b>8,87,827</b>	<b>30,36,053</b>	<b>8,27,69,447</b>	<b>13,41,856</b>	<b>19,08,607</b>	<b>8,43,467</b>	<b>25,54,524</b>	<b>11,91,63,768</b>
Additions	69,62,463	-	23,06,499	4,89,66,973	7,47,955	65,16,733	22,67,038	-	6,77,67,661
Disposals	-	-	-	(48,211)	(5,744)	(5,678)	-	-	(59,633)
Acquisitions through business combination	-	-	-	-	-	-	-	-	-
Depreciation expense	(19,62,347)	(49,446)	(18,88,447)	(1,11,19,219)	(3,55,211)	(5,74,165)	(2,72,176)	(6,33,593)	(1,68,54,604)
Foreign currency translation adjustments	-	-	-	-	-	-	-	-	-
<b>Balance as at March 31, 2020</b>	<b>3,08,22,103</b>	<b>8,38,381</b>	<b>34,54,105</b>	<b>12,05,68,990</b>	<b>17,28,856</b>	<b>78,45,497</b>	<b>28,38,329</b>	<b>19,20,931</b>	<b>17,00,17,192</b>
Additions	19,67,950	-	12,12,338	6,55,72,553	12,09,548	1,42,128	-	-	7,01,04,517
Disposals	-	-	-	(1,36,863)	(787)	(88,332)	-	-	(2,25,982)
Acquisitions through business combination	-	-	-	(1,284)	7	1,607	-	-	330
Depreciation expense	(20,03,416)	(49,446)	(20,97,809)	(1,49,99,672)	(4,47,868)	(9,34,872)	(3,53,206)	(5,62,090)	(2,14,48,379)
<b>Balance as at March 31, 2021</b>	<b>3,07,86,637</b>	<b>7,88,935</b>	<b>25,68,634</b>	<b>17,10,03,724</b>	<b>24,89,756</b>	<b>69,66,028</b>	<b>24,85,123</b>	<b>13,58,841</b>	<b>21,84,47,678</b>

## 4. Other intangible assets

Description of Assets	Computer software	R & D Expenses	Total
<b>I. Cost or deemed cost</b>			
<b>Balance as at March 31, 2019</b>	<b>58,72,484</b>	<b>-</b>	<b>58,72,484</b>
Additions	68,000	32158992	3,22,26,992
<b>Balance as at March 31, 2020</b>	<b>59,40,484</b>	<b>3,21,58,992</b>	<b>3,80,99,476</b>
Additions	14,400	1,42,70,359	1,42,84,759
<b>Balance as at March 31, 2021</b>	<b>59,54,884</b>	<b>4,64,29,351</b>	<b>5,23,84,235</b>
<b>II. Accumulated depreciation and impairment</b>			
<b>Balance as at March 31, 2019</b>	<b>31,23,066</b>	<b>-</b>	<b>31,23,066</b>
Amortisation expense for the year	10,31,989	-	10,31,989
<b>Balance as at March 31, 2020</b>	<b>41,55,055</b>	<b>-</b>	<b>41,55,055</b>
Amortisation expense for the year	9,90,659	34,84,422	44,75,081
<b>Balance as at March 31, 2021</b>	<b>51,45,714</b>	<b>34,84,422</b>	<b>86,30,136</b>
<b>III. Carrying Amount</b>			
<b>Balance as at March 31, 2019</b>	<b>27,49,418</b>	<b>-</b>	<b>27,49,418</b>
Additions	68,000	32158992	3,22,26,992
Depreciation expense	10,31,989	-	10,31,989
<b>Balance as at March 31, 2020</b>	<b>17,85,429</b>	<b>3,21,58,992</b>	<b>3,39,44,421</b>
Additions	14,400	1,42,70,359	1,42,84,759
Depreciation expense	9,90,659	34,84,422	44,75,081
<b>Balance as at March 31, 2021</b>	<b>8,09,170</b>	<b>4,29,44,929</b>	<b>4,37,54,099</b>

## Research and Development :

Direct expenses incurred on R&D during the year for the development of products are treated as deferred revenue expenditure. The amount shall be amortized against the revenues to be earned over period of time, to be determined at the time of product launch.



## 5. Leasehold Liabilities

The Company has adopted Ind AS 116 "Leases" with the date of inception of the lease being April 1, 2019 and has Following are the changes in the carrying value of right of use assets for the year ended March 31, 2021

Particulars	Additions	Termination during the year	Amortisation	Carrying Value as on 31-03-2021
Leasehold Assets	-	-	(1,36,34,003)	2,14,15,071

The following is the break-up of current and non-current lease liabilities as at March 31, 2021:

Particulars	31-Mar-21
<b>Current</b>	82,65,139
<b>Non – Current</b>	1,13,38,498
<b>Total</b>	<b>1,96,03,637</b>

The following is the movement in lease liabilities during the year ended March 31, 2021:

Particulars	31-Mar-21
Balance as on 01-04-2020	3,30,17,181
Additions to lease Liabilities	-
Termination during the year	-
Interest Expense	19,54,423
Cash Outflows during the year	(1,53,67,967)
Balance as on 31-03-2021	<b>1,96,03,637</b>

## 6. Goodwill

Particulars	As at
	March 31, 2020
Goodwill on acquisition of Titan Time Products Ltd (name changed to Danlaw Electronics Assembly Ltd post acquisition)	24,01,207
	<b>24,01,207</b>



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Consolidated financial statements

**7. Other financial assets (carried at amortised cost)**

Particulars	As at
	March 31, 2020
<b>Non-current</b>	
Bank Deposits	
Security deposits	
- Secured, considered good	
- Unsecured, considered good	57,44,484
<b>Total non-current other financial</b>	<b>57,44,484</b>
<b>Current</b>	
Derivative financial asset	
Unbilled revenue	
Interest accrued on deposits	9,06,780
Interest accrued - inter company	
Loan to employees	
Security deposits	1,59,878
<b>Total current other financial assets</b>	<b>10,66,658</b>
<b>Total other financial assets</b>	<b>68,11,142</b>

**8. Other assets**

Particulars	As at
	March 31, 2020
<b>Non-current</b>	
Prepaid expenses	42,78,555
<b>Total non-current assets</b>	<b>42,78,555</b>
<b>Current:</b>	
Prepaid expenses	75,94,305
Balance with government	54,53,329
Advances recoverable in cash or	1,11,01,806
Lease Rentals Equalisation	3,53,925
<b>Total current assets</b>	<b>2,45,03,365</b>
<b>Total other assets</b>	<b>2,87,81,920</b>

**9. Inventories**

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Current</b>		
Inventories (lower of cost and net realisable value)		
Raw materials	11,91,38,092	8,16,96,991
Work-in-progress	3,75,852	13,43,235
Tools	36,00,503	15,89,941
Semi-Finished goods	30,12,739	1,10,42,704
Finished goods	1,95,66,449	1,21,10,372
<b>Total</b>	<b>14,56,93,635</b>	<b>10,77,83,243</b>

**10. Trade receivables**

Particulars	As at
	March 31, 2020
<b>Trade receivables - Current</b>	
Unsecured, considered good	14,04,29,021
Doubtful	
Less: Allowance for doubtful	1,48,393
<b>Total</b>	<b>14,02,80,628</b>





**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Consolidated financial statements

**Note - 11: Cash and Bank Balances**

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Balances with Banks		
in current accounts	1,12,53,942	4,49,02,269
in deposit accounts	2,15,95,090	98,99,911
Cash on hand	34,849	24,518
<b>Total Cash and cash equivalents</b>	<b>3,28,83,881</b>	<b>5,48,26,698</b>
Cash and cash equivalents as per Statement of Cash flows	3,28,83,881	5,48,26,698

**12. Loans**

Particulars	As at	As at
	March 31, 2021	March 31, 2020
<b>Non - Current</b>		
<b>Loans to related parties</b>		
- Unsecured, considered	-	-
Loans to employees	6,62,794	6,22,475
<b>Total Non current Loans</b>	<b>6,62,794</b>	<b>6,22,475</b>
<b>Current</b>		
<b>Loans to employees</b>		
- Unsecured, considered good	6,31,277	5,37,738
- Loan to associates	6,01,09,949	4,67,43,232
<b>Total current loans</b>	<b>6,07,41,226</b>	<b>4,72,80,970</b>
<b>Total</b>	<b>6,14,04,020</b>	<b>4,79,03,445</b>

**13. Equity share capital**

Particulars	As at March 31	As at March 31
	2020	2019
<b>Authorised share capital:</b>		
5000000 fully paid up equity shares	5,00,00,000	5,00,00,000
<b>Issued and subscribed capital:</b>		
Issued Equity Share capital	3,70,74,900	3,70,74,900
<b>Total</b>	<b>3,70,74,900</b>	<b>3,70,74,900</b>

**Notes:**

**(A) Reconciliation of the number of shares outstanding:**

Particulars	Number of shares	Amount
Balance at March 31, 2019	37,07,490	3,70,74,900
Buyback of shares	-	-
Balance at March 31, 2020	37,07,490	3,70,74,900
Buyback of shares	-	-
Balance at March 31, 2021	37,07,490	3,70,74,900

**(B) Details of shares held by each shareholder holding more than 5% shares**

	As at March 31		As at March 31	
	2021		2020	
	Number of shares	% holding of	Number of	% holding of
<b>Fully paid equity shares</b>				
Danlaw Systems India Limited	14,61,592	39.29%	14,61,592	39.29%



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Consolidated financial statements

**14.1. Other equity excluding non-controlling interests**

Particulars	As at March 31	As at March 31
	2021	2020
General reserve		
Securities premium account	26,51,02,850	26,51,02,850
Foreign currency translation reserve	1,07,02,115	1,43,81,040
Retained earnings	(9,24,90,597)	(9,44,27,516)
<b>Balance at end of year</b>	<b>18,33,14,368</b>	<b>18,50,56,374</b>

<b>14.2 Securities premium reserve</b>			
Balance at beginning of year		26,51,02,850	26,51,02,850
<b>Balance at end of year</b>		<b>26,51,02,850</b>	<b>26,51,02,850</b>

<b>14.3 Foreign currency translation reserve</b>			
		As at March 31, 2021	As at March 31, 2020
Balance at beginning of year		1,43,81,040	96,97,554
Exchange difference arising on translating the foreign operations		(36,78,925)	46,83,486
<b>Balance at end of year</b>		<b>1,07,02,115</b>	<b>1,43,81,040</b>

Exchange differences relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Rs.36,78,925) are recognised directly in other

<b>14.4 Retained earnings</b>			
		As at March 31, 2021	As at March 31, 2020
Balance at beginning of year		(9,44,27,516)	(5,06,09,037)
Profit attributable to owners of the C		31,00,331	(4,53,48,560)
Remeasurements of the defined		(11,63,412)	15,30,081
Adj/Profit on sale of shares in subsidiary		-	-
<b>Balance at end of year</b>		<b>(9,24,90,597)</b>	<b>(9,44,27,516)</b>

**15. Other financial liabilities**

Particulars	As at March 31,	As at March 31,	
	2021	2020	
<b>Non - Current</b>			
Retention monies			
Loan from related party - ECB		11,02,57,050	3,76,92,950
Security deposits		28,66,612	26,06,012
<b>Total</b>		<b>11,31,23,662</b>	<b>4,02,98,962</b>
<b>Current</b>			
(i) Others		44,82,282	2,91,252
<b>Total</b>		<b>44,82,282</b>	<b>2,91,252</b>

**16. Provisions**

Particulars	As at March 31,	As at March 31,	
	2021	2020	
<b>Provisions</b>			
Employee benefits		74,21,365	42,13,863
Current		<b>74,21,365</b>	<b>42,13,863</b>
Non - Current		<b>4,32,51,017</b>	<b>4,08,81,658</b>
<b>Total</b>		<b>5,06,72,382</b>	<b>4,50,95,521</b>



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Consolidated financial statements

**17. Income taxes**

**17.1 Deferred tax balance**

Particulars	As at March 31,	
	2021	2020
Deferred tax assets	5,41,15,907	4,86,20,406
Deferred tax liabilities	1,71,95,404	1,31,48,855
<b>Total</b>	<b>3,69,20,503</b>	<b>3,54,71,551</b>

	Opening Balance	Recognised in profit or loss	Closing balance
2020-21			
Deferred tax (liabilities)/ assets in relation to			
Cost & Estimated Earnings in Excess of Billings			
Depreciation & Amortization	(1,31,48,855)	(40,46,549)	(1,71,95,404)
Employee benefit expense OCI	(6,48,371)	4,59,806	(1,88,565)
MAT Credit	71,64,705	-	71,64,705
Others	4,21,04,072	50,35,696	4,71,39,768
<b>Total</b>	<b>3,54,71,551</b>	<b>14,48,953</b>	<b>3,69,20,504</b>

**17.2. Tax assets and liabilities**

Particulars	As at March 31,	
	2021	2020
<b>Tax assets</b>		
Current tax assets	27,54,257	47,25,087
<b>Current tax liabilities</b>		
Income tax payable	89,47,385	1,31,933
<b>Total Current tax liabilities</b>	<b>89,47,385</b>	<b>1,31,933</b>

**17.3 - Tax Expense**

**a) Recognised in statement of profit and loss**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Current tax</b>		
In respect of the current year	89,64,222	8,91,202
In respect of prior years	28,41,054	(5,95,154)
	<b>1,18,05,276</b>	<b>2,96,048</b>
<b>Deferred tax</b>		
In respect of the current year	(11,59,279)	(1,48,82,747)
	<b>(11,59,279)</b>	<b>(1,48,82,747)</b>

**b) Recognised in Other comprehensive Income**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Deferred tax</b>		
In respect of the current year	(4,59,806)	4,48,635
	<b>(4,59,806)</b>	<b>4,48,635</b>

*The Income tax expense for the year can be reconciled to the accounting profit as follows*

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit before tax from continuing ope	2,48,61,212	(6,47,64,200)
Income tax expense calculated	89,64,222	8,91,202
Depreciation adjustment	(98,87,230)	(1,09,36,666)
Expenses (disallowed) / allowed under Income Tax Act	(83,53,135)	(83,39,979)
Set off of losses	-	-
Taxable Income	66,20,847	(8,40,40,845)
Tax Rate		



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Consolidated financial statements

**18. Other liabilities**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non - Current</b>		
Revenue received in advance	24,11,661	26,38,885
<b>Total</b>	<b>24,11,661</b>	<b>26,38,885</b>
<b>Current</b>		
Advance from customers	11,72,56,186	12,30,47,069
Statutory remittances	50,13,665	37,09,090
Others	70,58,897	17,72,586
<b>Total</b>	<b>12,93,28,748</b>	<b>12,85,28,745</b>

**19. Financial Liabilities-Borrowings**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Non-Current</b>		
-From Banks		
Long term borrowings		
Term Loan	17920000	-
(refer note (a) below)		
<b>Total</b>	<b>17920000</b>	
<b>Current</b>		
- From Banks		
Short term borrowings		
Term Loan		
Cash Credit Loan	5,02,73,183	-
(refer note (b) below)		
<b>Total</b>	<b>5,02,73,183</b>	
<b>Total Financial Liabilities-Loans</b>	<b>6,81,93,183</b>	<b>-</b>

**20. Trade Payables**

Particulars	As at	
	March 31, 2021	March 31, 2020
<b>Trade Payables - Current</b>		
Dues to micro enterprises and small	81,98,178	50,08,329
Dues to creditors other than micro	11,67,49,344	14,72,65,447
<b>Total</b>	<b>12,49,47,522</b>	<b>15,22,73,776</b>

**21. Revenue from operations**

Particulars	For the year ended	For the year
	March 31, 2021	ended March 31, 2020
Sale of services	5,70,82,854	8,43,04,557
Sale of products	93,17,18,150	46,41,92,414
<b>Total</b>	<b>98,88,01,004</b>	<b>54,84,96,971</b>

**22. Other income (net)**

Particulars	For the year ended	For the year
	March 31, 2021	ended March 31, 2020
<b>Interest income on financial assets carried at amortised cost</b>		
Bank deposits	10,01,205	10,21,259
Interest on Income Tax	86,450	4,08,006
Others Ind AS adjustments	8,41,765	7,08,913
	<b>19,29,420</b>	<b>21,38,178</b>
<b>Other non-operating income</b>		
Lease Rentals	88,08,800	94,38,000
Lease Rentals - Ind AS	1,86,796	3,53,925
Miscellaneous income ( net)	3,88,298	3,85,351
	<b>93,83,894</b>	<b>1,01,77,276</b>
<b>Other gains and losses</b>		
Net foreign exchange gain	40,87,547	-
Gain on disposal of property, plant and equipment	-	-
	<b>40,87,547</b>	<b>-</b>
<b>Total</b>	<b>1,54,00,861</b>	<b>1,23,15,454</b>



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Consolidated financial statements

**23. Employee Benefits Expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Salaries and wages, including bonus	16,96,32,554	14,98,74,267
Contribution to provident and other funds	1,61,49,649	1,37,91,823
Staff welfare expenses	1,07,35,246	1,23,41,816
<b>Total</b>	<b>19,65,17,449</b>	<b>17,60,07,906</b>

**24. Cost of materials consumed**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
(a) Opening stock	8,16,96,991	9,43,85,392
(b) Add: Purchases	68,25,00,050	29,38,61,879
(c) Less: Closing stock	12,60,13,010	8,16,96,991
	<b>63,81,84,031</b>	<b>30,65,50,280</b>

**25. Changes in inventories of finished goods and work-in-progress**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Opening Stock:</b>		
Finished goods	1,68,61,859	72,18,759
Work-in-progress	-	-
	<b>1,68,61,859</b>	<b>72,18,759</b>
<b>Closing Stock:</b>		
Finished goods	1,60,80,120	1,68,61,859
Work-in-progress	-	-
	<b>1,60,80,120</b>	<b>1,68,61,859</b>
<b>Net (increase) / decrease</b>	<b>7,81,739</b>	<b>(96,43,100)</b>

**26. Finance costs**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Interest expense</b>		
- Interest security deposit Ind AS	13,88,135	24,12,622
- Other interest expense	75,87,455	19,57,541
<b>Total</b>	<b>89,75,590</b>	<b>43,70,163</b>

**27. Depreciation and amortisation expense**

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Depreciation of property, plant and equipment	2,14,48,049	1,68,54,554
Amortisation of intangible assets	1,79,35,308	1,51,82,337
<b>Total</b>	<b>3,93,83,357</b>	<b>3,20,36,891</b>



**DANLAW TECHNOLOGIES INDIA LIMITED**  
Notes forming part of the Consolidated financial statements

**28. Other operating expenses**

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
Rent including lease rentals (Refer		74,40,018		80,62,515
Rates and taxes		16,04,097		12,56,133
Insurance		8,58,113		5,37,768
Stores and spares consumed		1,04,07,773		79,61,915
Freight Outwards		2,33,276		4,41,002
Travelling and conveyance		43,16,488		1,04,33,376
Sub-contracting charges		7,93,276		33,20,738
Communication		11,75,332		11,23,007
Printing and stationery		6,00,535		8,31,884
Power and fuel		1,06,80,453		89,78,885
Selling and Distribution expenses		2,06,27,914		1,83,00,131
Repairs and maintenance				
- Buildings		18,66,810		27,09,817
- Machinery		87,03,388		44,02,795
- Security		45,24,619		45,75,827
- House Keeping		36,05,546		37,38,918
- Vehicles		2,10,324		4,57,961
- Office Maintenance		27,47,582		27,02,311
Directors Remuneration				
- Directors sitting fees	2,00,000	2,00,000	4,60,000	4,60,000
Trade receivables written off (net)	4,19,233		20,282	
Less: Reversal of provision for doubtful debts	-	4,19,233	-	20,282
Auditors' remuneration (Refer Note		10,74,414		12,23,250
Recruitment expenses		2,36,948		8,02,937
Foreign exchange loss		4,02,215		39,09,433
Depository Registrar Fee		2,48,578		2,58,663
Listing Fee		3,00,000		3,00,000
Registration/Licences/Filing fee		45,93,289		41,33,266
Professional Fee		36,52,315		52,31,350
Donations		-		-
Bank charges		13,42,583		11,93,235
Miscellaneous expenses		5,98,518		7,13,441
<b>Total</b>		<b>9,34,63,637</b>		<b>9,80,80,840</b>

**i) Auditors' remuneration(net of service tax) comprises of:**

Particulars	For the year ended March 31, 2021		For the year ended March 31, 2020	
<b>Company</b>				
For statutory audit		2,42,000		2,20,000
For other services		2,67,898		4,02,470
Reimbursement of expenses		64,516		6,000
<b>Subsidiaries</b>				
For statutory audit		5,00,000		5,94,780
<b>Total Auditors' remuneration</b>		<b>10,74,414</b>		<b>12,23,250</b>

**29. Managerial Remuneration**

The following managerial remuneration was paid as per board of director's decision and approved by shareholders.		
Salary	1,01,47,107	18,00,000
Contribution to PF	1,91,196	2,16,000
Medical	15,364	4,353
<b>Total</b>	<b>1,03,53,667</b>	<b>20,20,353</b>

**30. Contingent Liabilities:**

Bank Guarantees	92,83,850	26,54,161
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### 31. Related party disclosures

Related Party Transaction	Relation	Transactions for the year ended		Balance as at March 31	
		2021	2020	2021	2020
<b>Sales &amp; Services</b>					
Danlaw Technologies Inc	Subsidiary	-	1,47,44,100	(9,00,932)	(9,00,932)
Danlaw Inc	Associate	4,02,75,280	4,00,49,987	(9,94,24,239)	(11,22,58,330)
Danlaw Electronics Assembly Ltd	Subsidiary	-	2,67,500	-	-
<b>Purchases</b>					
Danlaw Inc	Associate	-	-	-	66,95,737
Danlaw Electronics Assembly Ltd	Subsidiary	20,16,11,001	1,29,76,798	3,03,91,950	-
<b>Remuneration</b>					
Directors	KMP	1,03,53,667	20,20,353	-	-
<b>Lease Rentals</b>					
D Lakshmi	Relative of KMP -	36,26,748	34,52,904	-	3,18,341
DSN Raju	Relative of KMP -	36,26,748	34,52,904	-	3,18,341
<b>Loans</b>					
Danlaw Inc	Associate	1,33,66,717	6,10,806	6,01,09,949	4,67,43,232
<b>Borrowal - ECB</b>					
Danlaw Inc	Subsidiary	7,25,64,100	11,42,412	11,02,57,050	3,76,92,950

The Transactions with related parties have been carried at arm's length price and also supported by the documentation reflecting the

### 32. Earnings per share

Particulars	For the year ended	
	March 31, 2021	March 31, 2020
Profit after tax	31,00,331	(4,53,48,560)
<b>Basic:</b>		
Number of shares outstanding at	37,07,490	37,07,490
Earnings per share (₹)	0.84	(12.23)
<b>Diluted:</b>		
Effect of potential equity shares on		
Weighted average number of equity	37,07,490	37,07,490
Earnings per share (₹)	0.84	(12.23)

Note: EPS is calculated based on profits excluding the other comprehensive income

### Financial Instruments

#### Financial instruments by category

The carrying value and fair value of financial instruments carried at amortised cost

Particulars	Level	Carrying Value as at March 31,		Fair Value as at March 31,	
		2021	2020	2021	2020
<b>Assets:</b>					
<b>Non-Current</b>					
Other Financial Assets	3	64,21,217	57,44,484	64,21,217	57,44,484
<b>Current</b>					
Trade receivables	3	16,43,42,493	14,02,80,628	16,43,42,493	14,02,80,628
Cash and cash equivalents	3	3,28,83,881	5,48,26,698	3,28,83,881	5,48,26,698
Other financial assets	3	16,09,596	10,66,658	16,09,596	10,66,658
<b>Total</b>		<b>20,52,57,187</b>	<b>20,19,18,468</b>	<b>20,52,57,187</b>	<b>20,19,18,468</b>
<b>Liabilities:</b>					
<b>Current</b>					
Trade payables	3	-	15,22,73,776	-	15,22,73,776
<b>Total</b>	<b>3</b>	<b>-</b>	<b>15,22,73,776</b>	<b>-</b>	<b>15,22,73,776</b>

There are no financial instruments of the company that are subsequently measured at fair value.

#### Fair value hierarchy

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The carrying values of the current financial assets and current financial liabilities are taken as fair values because of their short term nature

The fair of non current financial assets is determined by using the discounted cash flow method by the management

## 1. Corporate information:

The Company is in the business of providing engineering and software development consulting services, Industrial electronics. Danlaw Technologies, Inc. (DTI) is a wholly owned subsidiary of Danlaw Technologies India, Ltd (DTIL)., a foreign corporation. DTI was incorporated in USA in September 2001 to market engineering and information technology services to customers in the United States of America. Danlaw Electronics Assembly Ltd (DEAL), Goa is the subsidiary of DTIL which was acquired in June 2018 to avail the production facility of electronics.

## 2. Significant accounting policies

### a. Basis of preparation:

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

For all periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2018 are the first the Company has prepared in accordance with Ind AS. Refer to note XX for information on how the Company adopted Ind AS.

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- ▶ Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).
- ▶ Plan Assets of defined benefit obligations.

The financial statements are presented in INR and all values are rounded to the nearest Rupees (INR), except when otherwise indicated.

### b. Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- ▶ Expected to be realised or intended to be sold or consumed in normal operating cycle
- ▶ Held primarily for the purpose of trading
- ▶ Expected to be realised within twelve months after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- ▶ It is expected to be settled in normal operating cycle
- ▶ It is held primarily for the purpose of trading
- ▶ It is due to be settled within twelve months after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.



The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

**c. Business combinations and goodwill**

Business combinations other than business combinations under common control are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable. However, the following assets and liabilities acquired in a business combination are measured at the basis indicated below:

- ▶ Deferred tax assets or liabilities, and the assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with Ind AS 12 Income Tax and Ind AS 19 Employee Benefits respectively.
- ▶ Liabilities or equity instruments related to share based payment arrangements of the acquiree or share – based payments arrangements of the Company entered into to replace share-based payment arrangements of the acquiree are measured in accordance with Ind AS 102 Share-based Payments at the acquisition date.
- ▶ Assets (or disposal groups) that are classified as held for sale in accordance with Ind AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.
- ▶ Reacquired rights are measured at a value determined on the basis of the remaining contractual term of the related contract. Such valuation does not consider potential renewal of the reacquired right.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or OCI, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109 Financial Instruments, is measured at fair value with changes in fair value recognised in profit or loss. If the contingent consideration is not within the scope of Ind AS 109, it is measured in accordance with the appropriate Ind AS. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and subsequent its settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in

OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted through goodwill during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date. These adjustments are called as measurement period adjustments. The measurement period does not exceed one year from the acquisition date.

#### **d. Foreign currencies**

##### Transactions and balances

Transactions in foreign currencies are initially recorded by the Company's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Adjustments are made for any variation in the sales realizations / purchase payments on conversion into Indian currency upon actual receipt / payment.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

#### **e. Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
  - ▶ In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets, and significant liabilities, such as contingent consideration.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management and the Company's external valuers present the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- ▶ Quantitative disclosures of fair value measurement hierarchy (note xx)
- ▶ Financial instruments (including those carried at amortised cost) (note xx)

#### **f. Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

Sales tax/ value added tax (VAT) / Goods and Service Tax (GST) is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

##### *i) Sale of goods*

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

##### *ii) Rendering of services*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured.

Revenue from user charges towards waste disposal is recognised as and when the related services are performed i.e. when the waste is collected, transported and is received at the dumping yards.

Revenue from consultancy and maintenance contracts is recognised as and when the related services are performed.

##### *iii) Interest income*

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

##### *iv) Dividends*

Revenue is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

## **g. Government grants**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalments. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

## **h. Taxes**

### *i) Current income tax*

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the Company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### *ii) Deferred tax*

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternative tax : Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where they operate, no deferred tax (asset or liability) is recognized in respect of temporary differences which reverse during the tax holiday period, to the extent the concerned entity’s gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of temporary differences which reverse after the tax holiday period is recognized in the year in which the temporary differences originate. However, the Company restricts recognition of deferred tax assets to the extent it is probable that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the temporary differences which originate first are considered to reverse first.

*iii) Sales/ value added taxes paid on acquisition of assets or on incurring expenses*

Expenses and assets are recognised net of the amount of sales/ value added taxes paid, except:

- ▶ When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable

- ▶ When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**i. Property, plant and equipment**

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to note xx and xx regarding significant accounting judgements, estimates and assumptions and provisions for further information about the recorded decommissioning provision.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

- ▶ Building 30 years
- ▶ Computers 3 years
- ▶ Computer servers 6 years
- ▶ Lab and electrical equipment 10 years
- ▶ Office equipment 5 years
- ▶ Furniture & Fixtures 10 years
- ▶ Vehicles 8 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### **j. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer software	3 years	SLM	No

### **k. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

### **l. Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

#### *i) Company as a lessee*

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs (See note xx).

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the increment is in line with the inflation rate.

### **m. Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- ▶ Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first in, first out basis.
- ▶ Finished goods and work in progress: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity, but excluding borrowing costs. Cost is determined on first in, first out basis.



Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

#### **n. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Company's of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Goodwill is tested for impairment annually as at each reporting date and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or Company of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

#### **o. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily

convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**p. Provisions**

*i) General*

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**q. Employee benefits**

*i) Short-term employee benefit obligations*

Liabilities for wages and salaries including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

*ii) Other long-term employee benefit obligations*

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the appropriate market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

*iii) Post employment benefits*

*Defined Contribution plan*

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense,

when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

#### *Defined benefit plan*

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- ▶ The date of the plan amendment or curtailment, and
- ▶ The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- ▶ Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- ▶ Net interest expense or income

#### *iv) Termination benefits*

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognises termination benefits at the earlier of the following dates: (a) when the company can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

#### **r. Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### **s. Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### **t. Earnings per share**

##### *i) Basic earnings per share*

Basic earnings per share is calculated by dividing:

- The profit attributable to owners of the company
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note xx)

##### *ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

#### **u. Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### *i) Financial assets*

###### *Initial recognition and measurement*

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

###### *Subsequent measurement*

For purposes of subsequent measurement, financial assets are classified in four categories:

- ▶ Debt instruments at amortised cost
- ▶ Debt instruments at fair value through other comprehensive income (FVTOCI)
- ▶ Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- ▶ Equity instruments measured at fair value through other comprehensive income (FVTOCI)

###### *Debt instruments at amortised cost*

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables. For more information on receivables, refer to Note XX.

#### *Debt instrument at FVTOCI*

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the P&L. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to P&L. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### *Debt instrument at FVTPL*

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### *Equity investments*

Equity investments in Subsidiaries, Associates and joint ventures are measured at cost as per Ind AS 27.

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

#### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### *ii) Financial liabilities*

##### *Initial recognition and measurement*

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

##### *Subsequent measurement*

The measurement of financial liabilities depends on their classification, as described below:

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Gains or losses on liabilities held for trading are recognised in the profit or loss.

### *Loans and borrowings*

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

This category generally applies to borrowings. For more information refer Note XX.

### *Derecognition*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

### *Reclassification of financial assets*

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

<b>Original classification</b>	<b>Revised classification</b>	<b>Accounting treatment</b>
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in P&L.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair

		value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified to P&L at the reclassification date.

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

*Derivatives that are not designated as hedges*

The company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other gains/(losses)

### 3. **Critical estimates and judgements**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- Estimation of current tax expense and payable – Note xx
- Estimated useful life of intangible asset – Note xx
- Estimation of defined benefit obligation – Note xx

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are believed to be reasonable under the circumstances.