

Datamatics Global Services Limited

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February 13, 2018

To,
Corporate Communication Department
BSE Limited
Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai - 400 001.
BSE Scrip Code: 532528

Listing Department
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East) Mumbai 400 051.
NSE Code: DATAMATICS

Sub: Board Meeting Outcome

Dear Sir/Madam,

The Board of Directors of the Company has, at its Meeting held today, i.e., Tuesday, February 13, 2018 at Mumbai, inter alia, considered and approved the Unaudited Standalone and Consolidated Financial Results for the quarter and nine months ended December 31, 2017.

Pursuant to Regulation 30 and 33(3)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, attached herewith please find the Unaudited Financial Results alongwith the Limited Review Report thereon.

The Meeting of the Board of Directors commenced at 12.45 P.M and concluded at 3.00 P.M.

Kindly take the above on your record.

For Datamatics Global Services Limited



R Divya Kummat
Executive Vice President,
Chief Legal Officer & Company Secretary.

M L BHUWANIA AND CO LLP

CHARTERED ACCOUNTANTS

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LIMITED REVIEW REPORT

The Board of Directors of
M/s. DATAMATICS GLOBAL SERVICES LIMITED

1. We have reviewed the accompanying statement of unaudited standalone financial results of **M/s. DATAMATICS GLOBAL SERVICES LIMITED**, (the "Company") for the quarter and nine months ended 31st December, 2017 attached herewith, being submitted by the company pursuant to requirement of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by the circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 (The Regulations).
2. The unaudited financial results are the responsibility of the Company's management and have been approved by the Board of Directors in their meeting held on 13th February, 2018. Our responsibility is to issue a report on these unaudited financial results based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. We draw attention to the fact that figures for the corresponding quarter and nine months ended 31st December, 2016, including the reconciliation of profit under Ind AS of the corresponding quarter and nine months ended with profit reported under previous GAAP as reported in these unaudited standalone financial results have been approved by the Company's Board of Directors but have not been subjected to our review. Our conclusion is not qualified in respect of these matters.



M L BHUWANIA AND CO. LLP
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5. The Company has an investment of Rs. 646.30 million in two wholly owned subsidiaries and has also extended loans and advances of Rs. 8.65 million to these subsidiaries as on 31st December, 2017. The net worth of these subsidiaries has declined. We are given to understand that the investment in these subsidiaries is for long term and is strategic in nature and the management is confident of turning around the subsidiaries in the future. In view of this, we are unable to comment on whether provision, if any, for the diminution in the value of investment is required to be made.

6. Based on our review conducted and read together with paragraph 5 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013 read with relevant rules there under and other recognized accounting practices and policies, and has not disclosed the Information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For and on behalf of
M L BHUWANIA AND CO LLP
Chartered Accountants
Firm's Registration No. 101484W / W100197

Ashishkumar Bairagra
Partner
Membership No. 109931



Place: Mumbai
Date: 13th February, 2018

M L BHUWANIA AND CO LLP

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AUDITOR'S REVIEW REPORT ON QUARTERLY CONSOLIDATED FINANCIAL RESULTS OF THE COMPANY PURSUANT TO REGULATION 33 OF SEBI (LISTING OBLIGATION AND DISCLOSURES REQUIREMENTS) REGULATION, 2015

The Board of Directors of
M/s. DATAMATICS GLOBAL SERVICES LIMITED

1. We have reviewed the accompanying statement of unaudited consolidated financial results of **M/s. DATAMATICS GLOBAL SERVICES LIMITED**, (the Holding Company") its subsidiaries (including step down subsidiaries), and joint ventures (the Holding Company, its subsidiaries and joint ventures are together referred to as "The Group") for the quarter and nine months ended 31st December, 2017 attached herewith, being submitted by the company pursuant to requirement of Regulation 33 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by the circular no. CIR/CFD/FAC/62/2016 dated 5th July, 2016 (The Regulations).
2. The unaudited financial results are the responsibility of the Company's management and have been approved by the Board of Directors in their meeting held on 13th February, 2018. Our responsibility is to issue a report on these unaudited financial results based on our review.
3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. The statement includes the results of the subsidiaries (including step down subsidiaries) and joint ventures mentioned in "Annexure A".



M L BHUWANIA AND CO. LLP

CHARTERED ACCOUNTANTS

5. We draw attention to the fact that figures for the corresponding quarter and nine months ended 31st December, 2016, including the reconciliation of profit under Ind AS of the corresponding quarter and nine months ended with profit reported under previous GAAP as reported in these unaudited consolidated financial results have been approved by the Company's Board of Directors but have not been subjected to our review. Our conclusion is not qualified in respect of these matters.
6. The financial results of eight subsidiaries including three step down subsidiaries included in Statement which reflects total assets of Rs. 7,720.21 million as at 31st December, 2017, total revenue of Rs. 1,801.76 million and Rs. 5475.49 million for the quarter and nine months ended 31st December, 2017 respectively and total net profit after tax of Rs. 49.59 million and Rs.237.80 million for the quarter and nine months ended 31st December, 2017 have been reviewed by us. The statement also includes the Group's share of net profit of Rs. 5.09 million and Rs. 16.00 million for the quarter and nine months ended 31st December, 2017 as considered in the Statement in respect of one joint venture, whose financial result has been reviewed by us.
7. The financial results of seventeen subsidiaries including thirteen step down subsidiaries included in the statement whose financial results are unaudited or not reviewed and certified by their management, which reflects total assets of Rs. 514.21 million as at 31st December, 2017, total revenues of Rs. 258.25 million and Rs. 564.42 million for the quarter and nine months ended 31st December, 2017 respectively and total net profit after tax of Rs. 11.36 million and Rs. 31.22 million for the quarter and nine months ended 31st December, 2017 respectively. The statement also include the Group's share of net profit of Rs. 3.98 million and Rs. 3.52 million for the quarter and nine months ended 31st December, 2017 as considered in the Statement in respect of three joint ventures whose financial results are unaudited or not reviewed and certified by their management.

Our report on the Statement in so far as it relates to amounts included in respect of these subsidiaries including step down subsidiaries and joint ventures is solely based on the management certified financial results of those subsidiaries and joint ventures.

We are unable to comment upon the resultant impact, if any, on the profit and net assets of the unaudited consolidated financial results of the company for the quarter and nine months ended 31st December, 2017, had the subsidiaries including step down subsidiaries and joint ventures been reviewed.

However our opinion is not modified in respect of this matter.



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8. Based on our review conducted as above and based on the consideration of management certified accounts referred to Note No. 7 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in accordance with applicable accounting standards specified under section 133 of the Companies Act, 2013 read with relevant rules there under and other recognized accounting practices and policies, and has not disclosed the Information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular dated 5th July, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For and on behalf of
M L BHUWANIA AND CO LLP
Chartered Accountants
Firm's Registration No. 101484W / W100197



Ashishkumar Bairagra
Partner
Membership No. 109931



Place: Mumbai
Date: 13th February, 2018

M L BHUWANIA AND CO. LLP

CHARTERED ACCOUNTANTS

Annexure A to our report dated 13th February, 2018

Sr. No.	Name	Subsidiary / Step down Subsidiary / Joint Venture
1	Datamatics Digital Limited	Subsidiary
2	Datamatics Global Services Corp	Step down Subsidiary
3	Datamatics Global Services FZLLC	Subsidiary
4	Datamatics Global Services Inc	Subsidiary
5	Datamatics Global Services Pty Limited	Subsidiary
6	Datamatics Global Technologies AG	Subsidiary
7	Datamatics Global Technologies GmbH	Step down Subsidiary
8	Datamatics Global Technologies Limited	Subsidiary
9	Datamatics Infotech Limited	Subsidiary
10	Attune Infocom Private Limited	Step down Subsidiary
11	Cignex Datamatics Corporation BVI	Step down Subsidiary
12	Cignex Datamatics GmbH	Step down Subsidiary
13	Cignex Datamatics Pte Ltd	Step down Subsidiary
14	Cignex Datamatics Technologies Private Limited	Step down Subsidiary
15	Cignex Datamatics UK Limited	Step down Subsidiary
16	Cignex Datamatics, Inc.	Step down Subsidiary
17	Cybercom Datamatics Information Solutions Limited	Joint Venture
18	Duo Consulting Inc	Step down Subsidiary
19	Elevondata India Private Limited	Joint Venture
20	Elevondata Labs Holding	Joint Venture
21	Elevondata LLC	Joint Venture
22	LD Publishing and eRetail Limited	Subsidiary
23	LDR eRetail Limited	Step down Subsidiary
24	Lumina Datamatics Assessment & Analytics, LLC	Step down Subsidiary
25	Lumina Datamatics GmbH	Step down Subsidiary
26	Lumina Datamatics Inc	Step down Subsidiary
27	Lumina Datamatics Limited	Subsidiary
28	Scalys Technologies Private Limited	Step down Subsidiary
29	Techjini Inc	Step down Subsidiary



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2017

(Rupees In millions)

	STANDALONE					CONSOLIDATED				
	Quarter ended			Period ended		Quarter ended			Period ended	
	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16	31-Dec-17	30-Sep-17	31-Dec-16	31-Dec-17	31-Dec-16
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
Income from Operations										
Revenue from operations	809.93	782.26	785.10	2,351.74	2,201.19	2,348.37	2,320.95	2,133.67	6,754.99	6,311.33
Other income	93.28	87.66	48.60	220.96	124.00	90.04	115.56	54.99	256.55	133.56
Total income	903.21	869.92	833.70	2,572.70	2,325.19	2,438.41	2,436.51	2,188.66	7,011.54	6,444.89
Expenses										
Purchase of stock in trade	24.96	7.49	1.19	33.95	1.19	23.67	24.78	18.33	62.90	51.32
Employees benefits expense	451.88	506.35	471.19	1,445.89	1,363.47	1,427.25	1,435.06	1,286.11	4,151.20	3,805.87
Depreciation and amortisation expense	26.09	25.80	30.43	78.09	85.39	44.41	44.71	59.42	132.53	187.38
Finance costs	8.71	10.56	19.50	24.82	38.74	10.17	11.82	30.51	28.04	59.08
Other expenses	199.00	201.35	201.51	602.64	583.85	689.82	669.95	612.06	1,951.43	1,747.56
Total expenses	710.64	751.55	723.82	2,185.39	2,072.64	2,195.32	2,186.32	2,006.43	6,326.10	5,851.21
Share of net profits of associates and joint ventures accounted for using the equity method	-	-	-	-	-	6.21	6.87	(0.62)	19.99	3.23
Exceptional Item	-	-	(23.89)	-	(23.89)	-	-	-	-	-
Profit before tax	192.57	118.37	85.99	387.31	228.66	249.30	257.06	181.61	705.43	596.91
Tax Expense (including deferred tax and MAT Credit)	44.58	22.53	19.98	78.74	42.38	63.86	40.14	49.40	142.36	109.16
Net Profit (+) / Loss (-) from Ordinary Activities after tax	147.99	95.84	66.01	308.57	186.28	185.44	216.92	132.21	563.07	487.75
Other Comprehensive Income										
Items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-
Items that will not be reclassified to profit or loss										
Actuarial gains and losses	(4.24)	(7.18)	1.51	(12.73)	4.52	(2.71)	(6.15)	1.51	(14.86)	4.52
Fair Value gain on FVOCI investments	1.51	(0.23)	(3.23)	1.30	(3.07)	1.51	(0.23)	(3.23)	1.30	(3.07)
Tax relating to items that will not be reclassified to profit or loss	0.95	2.56	0.57	3.96	(0.48)	0.95	2.18	0.57	5.20	(0.48)
Total comprehensive income for the year	146.21	90.99	64.86	301.10	187.25	185.19	212.72	131.06	554.71	488.72
Profit attributable to :										
Owners of the company	147.99	95.84	66.01	308.57	186.28	174.01	208.27	137.20	534.26	507.34
Non Controlling Interest	-	-	-	-	-	11.43	8.65	(4.99)	28.81	(19.59)
Net Profit/Loss after taxes, non controlling interest	147.99	95.84	66.01	308.57	186.28	185.44	216.92	132.21	563.07	487.75
Total comprehensive income attributable to :										
Owners of the company	-	-	-	-	-	173.76	204.07	136.05	525.90	508.31
Non Controlling Interest	-	-	-	-	-	11.43	8.65	(4.99)	28.81	(19.59)
Total comprehensive income for the year	146.21	90.99	64.86	301.10	187.25	185.19	212.72	131.06	554.71	488.72
Paid-up equity share capital (Face Value per share Rs. 5/-)	294.75	294.75	294.75	294.75	294.75	294.75	294.75	294.75	294.75	294.75
Earnings Per Share (EPS) (Not Annualised)										
- Basic	2.51	1.63	1.12	5.23	3.16	3.15	3.68	2.24	9.55	8.27
- Diluted	2.51	1.63	1.12	5.23	3.16	3.13	3.62	2.24	9.44	8.27

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Segment Reporting

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.

The Group organised itself into two business units, which form the operating segments for segment reporting.

The operating segments are :

- a. IT Services
- b. Business Process Management (BPM)

(Rupees in millions)

Particulars	Q3'17-18			Q2'17-18			Q3'16-17			YTD '17-18			YTD'16-17		
	IT	BPM	Total	IT	BPM	Total	IT	BPM	Total	IT	BPM	Total	IT	BPM	Total
Revenue	1,314.83	1,033.54	2,348.37	1,244.51	1,076.44	2,320.95	1,128.57	1,005.10	2,133.67	3,621.92	3,133.07	6,754.99	3,390.33	2,921.00	6,311.33
Identifiable expenses	1,204.61	936.12	2,140.73	1,180.67	949.12	2,129.79	1,062.93	853.57	1,916.50	3,374.84	2,790.69	6,165.53	3,152.48	2,452.27	5,604.75
Segment results	110.21	97.42	207.63	63.84	127.32	191.16	65.64	151.53	217.17	247.08	342.38	589.46	237.86	468.72	706.58
unallocable expenses			54.58			56.53			89.93			160.57			246.46
Other income			90.04			115.56			54.99			256.55			133.56
Profit before taxes			249.30			257.06			181.61			705.43			596.91
Tax expenses			63.86			40.14			49.40			142.36			109.16
Profit after tax			185.44			216.92			132.21			563.07			487.75

Segment Assets and Liabilities

The assets and liabilities used in the Company's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Company believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.



Datamatics Global Services Limited

NOTES:

- 1 The unaudited consolidated financial results and the unaudited standalone financial results of the Company for the quarter and nine months ended December 31, 2017 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on February 13, 2018.
- 2 The financial result for the quarter and nine months ended December 31, 2016 has not been reviewed and has been presented based on the information compiled by the management after making the necessary adjustments to give a true and fair view of the results in accordance with Ind AS.
- 3 The statement does not include IND AS compliant results for previous year ended March 31, 2017, as it is not mandatory as per SEBI's circular dated July 5, 2016.
- 4 The Company has presented, for the first time, its financial results under Indian Accounting Standards ("Ind AS") which is applicable w.e.f 1st April 2017 and accordingly these financial results have been prepared in accordance with recognition and measurement principles laid down in the Ind AS 34 - Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Financial results for the comparative period have also been presented in accordance with the recognition and measurement principles of Ind AS 34.
- 5 The format for un-audited quarterly results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 has been modified to comply with requirement of SEBI's circular dated July 5, 2016, Ind AS and Schedule III to the Companies Act, 2013 applicable to companies that are required to comply with Ind AS.
- 6 The Company has an investment of Rs. 646.30 million in two of its wholly owned subsidiary and has also extended loans and advances of Rs. 8.65 million to this subsidiary as on December 31, 2017. The net worth of this subsidiary has declined. This investment is for long term and of strategic nature. As the management is confident of turning around the subsidiary in the near future, provision for diminution in the value, if at all required is not made.
- 7 Previous quarter figures have been appropriately regrouped and reclassified wherever necessary to conform to the current year presentations.
- 8 Reconciliations between consolidated and standalone financial results, as previously reported (referred to as 'Previous GAAP') and Ind AS for quarter presented are as under:

Particulars	In Rs. Millions			
	Consolidated	Standalone	Consolidated	Standalone
	YTD 16-17	YTD 16-17	Q3 16-17	Q3 16-17
Net Profit as per previous GAAP	497.22	181.03	125.58	58.47
Fair valuation of investments	(14.21)	(18.35)	4.57	(2.14)
Amortisation of leasehold land	(3.51)	(3.51)	(1.17)	(1.17)
Deferred tax on freehold land	1.72	1.72	0.15	0.15
Amortisation of transaction costs on borrowings	(0.69)	(0.69)	(0.46)	(0.46)
Reversal of amortisation of goodwill	18.61	18.61	6.20	6.20
Actuarial valuation loss reclassification to OCI	(4.52)	(4.52)	(1.53)	(1.53)
Deferred tax impact on Ind AS adjustments	(7.31)	3.03	(0.79)	4.88
Tax on OCI items	(0.48)	(0.48)	(1.52)	(1.56)
Unwinding of interest on preference shares	-	9.44	-	3.17
Outside basis Tax	(2.79)	-	(0.61)	-
Ind AS impact on Equity Accounting of CDIS	(7.26)	-	(2.57)	-
Ind AS impact on Equity Accounting of LDERL	10.97	-	4.36	-
Net profit for the period under Ind AS	487.75	186.28	132.21	66.01
Other Comprehensive Income	0.97	0.97	(1.15)	(1.15)
Total Comprehensive income under Ind AS	488.72	187.25	131.06	64.86

For and on behalf of the Board
Datamatics Global Services Limited



Rahul L. Kanodia
Vice Chairman & CEO

Place : Mumbai
Date : February 13, 2018

