

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.

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

