

M L BHUWANIA AND CO LLP

CHARTERED ACCOUNTANTS

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LIMITED REVIEW REPORT

To,

The Board of Directors of Datamatics Global Services Limited

1. We have reviewed the accompanying Statement of Unaudited Standalone Financial Results for the quarter and nine months ended December 31, 2018 ("the Statement") of Datamatics Global Services Limited ("the Company"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. The Unaudited Standalone Financial Results are the responsibility of the Company's management and have been approved by the Board of Directors in their meeting held on January 31, 2019. Our responsibility is to issue a report on these Unaudited Standalone Financial Results based on our review.
2. 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 provides less assurance than an audit. We have not performed an audit and, accordingly we do not express an audit opinion.
3. The Company has investments of Rs. 646.30 million in two wholly owned subsidiaries and has also extended loans and advances of Rs. 11.82 million to these subsidiaries as on December 31, 2018. The net worth of these two wholly owned subsidiaries is lower than the amount of investment. As informed to us, the investments are for long term and of strategic nature, and the management is confident of turning around these subsidiaries in the near future and hence, no provision is made for diminution in the value of these investments.



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4. Based on our review conducted and read together with paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement of Unaudited Standalone Financial Results prepared in accordance with applicable Indian Accounting Standards ("Ind-AS") specified under section 133 of the Companies Act, 2013 and other recognized accounting principles, practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M L BHUWANIA AND CO LLP

Chartered Accountants

Firm Registration No. 101484W / W100197



Vijay Kumar Jain

Partner

Membership No. 108374

Place: Mumbai

Date: January 31, 2019

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90, Veer Nariman Road, Churchgate,
Mumbai - 400 020, India.



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Limited Review Report

To,

The Board of Directors of **DATAMATICS GLOBAL SERVICES LIMITED**

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Results of **DATAMATICS GLOBAL SERVICES LIMITED** ("Holding Company"), its subsidiaries (including step down subsidiaries) and its joint venture (the Holding Company, its subsidiaries and its Joint Venture together referred to as the "Group") with respect to the quarter and nine months ended December 31, 2018 ("the Statement") attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. This statement is the responsibility of the Holding Company's management and has been approved by the Board of Directors in their meeting held on January 31, 2019. Our responsibility is to issue a report on the statement based on our review.
2. 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 Holding Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly we do not express an audit opinion.
3. The statement includes the results of the subsidiaries (including step down subsidiaries) and joint venture mentioned in "Annexure A"
4. The accompanying statement includes financial results of three subsidiaries which reflects total revenue of Rs. 696.23 million and Rs. 2,231.10 million for the quarter and nine months ended December 31, 2018 respectively and total net profit after tax of Rs. (-) 22.26 million and Rs. 9.71 million for the quarter and nine months ended December 31, 2018 respectively which have been reviewed on standalone basis by Other Auditors. The accompanying statement also includes financial results of thirteen subsidiaries (including twelve step down subsidiaries) which reflects total revenue of Rs. 1,614.59 million and Rs. 4,593.75 million for the quarter and nine months ended December 31, 2018 respectively and total net profit after tax of Rs. 56.80 million and Rs. 274.35 million for the quarter and nine months ended December 31, 2018 respectively have been reviewed on consolidated basis by Other Auditors.



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Our report on the statement in so far as it relates to amounts included in respect of these subsidiaries including step down subsidiaries is solely based on the review report of Other Auditors.

5. The accompanying statement includes financial results of ten subsidiaries (including six step down subsidiaries) which reflects total revenue of Rs. 115.37 million and Rs. 328.82 million for the quarter and nine months ended December 31, 2018 respectively and total net profit after tax of Rs. 8.30 million and Rs. 22.44 million for the quarter and nine months ended 31st December, 2018 respectively, and one joint venture which reflects the Group's share of net profit of Rs. 4.34 million and Rs. 15.77 million for the quarter and nine months ended December 31, 2018 respectively, which are certified by the 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 venture is solely based on the management certified financial of those subsidiaries and joint venture.

We are unable to comment upon the resultant impact, if any, on the profit of the Unaudited Consolidated Financial Results of the Group for the quarter and nine months ended December 31, 2018, had the subsidiaries including step down subsidiaries and joint venture been reviewed. Our opinion on the Unaudited Consolidated Financial Result is not modified in respect of this matter.

6. Based on our review conducted, nothing has come to our attention that causes us to believe that the information contained in the accompanying Statement of Unaudited Consolidated Financial Result prepared in accordance with the Indian Accounting Standards (Ind-AS) specified under section 133 of the Companies Act, 2013 and other recognized accounting policies and procedures generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations & Disclosures Requirements) Regulations 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For M L BHUWANIA AND CO LLP
Chartered Accountants
Firm Registration No. 101484W/W100197



Vijay Kumar Jain
Partner
Membership No. 108374

Place: Mumbai
Date: January 31, 2019

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Annexure A to our report dated January 31, 2019

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



UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTH ENDED DECEMBER 31, 2018

(Rupees in millions)

	STANDALONE						CONSOLIDATED					
	Quarter ended			Nine month ended			Quarter ended			Nine month ended		
	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18	31-Dec-18	30-Sep-18	31-Dec-17	31-Dec-18	31-Dec-17	31-Mar-18
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income from Operations												
Revenue from operations	954.56	1,015.79	809.93	2,854.54	2,351.74	3,378.50	2,859.25	2,799.04	2,348.37	8,266.32	6,754.99	9,102.69
Other income	(30.55)	62.57	93.28	49.50	220.96	226.43	(52.39)	89.89	90.04	60.82	256.55	244.32
Total income	924.01	1,078.36	903.21	2,904.04	2,572.70	3,604.93	2,806.86	2,888.93	2,438.41	8,327.14	7,011.54	9,347.01
Expenses												
Purchase of products and licenses	2.02	27.65	24.96	30.64	33.95	49.43	18.91	40.28	23.67	76.13	62.90	96.10
Employees benefits expense	601.08	622.85	451.88	1,748.35	1,445.89	2,000.68	1,764.19	1,739.99	1,427.25	5,131.03	4,151.20	5,668.85
Finance costs	6.24	11.39	8.71	25.65	24.82	34.41	9.67	14.26	10.17	35.31	28.04	40.30
Depreciation and amortisation expense	27.94	33.39	26.09	90.28	78.09	102.33	66.21	68.41	44.41	195.88	132.53	203.30
Other expenses	267.08	247.51	199.00	749.47	602.64	894.63	759.53	705.49	689.82	2,112.30	1,951.43	2,517.43
Total expenses	904.36	942.79	710.64	2,644.39	2,185.39	3,081.48	2,618.51	2,568.43	2,195.32	7,550.65	6,326.10	8,525.98
Share of net profits of associates and joint ventures accounted for using the equity method	-	-	-	-	-	-	4.34	5.94	6.21	15.77	19.99	22.86
Profit before tax	19.65	135.57	192.57	259.65	387.31	523.45	192.69	326.44	249.30	792.26	705.43	843.89
Tax Expense												
Current tax	(1.78)	41.07	8.60	74.85	30.91	74.07	54.96	93.83	37.90	201.04	93.36	113.20
Deferred tax	(4.86)	(9.63)	35.98	(16.99)	47.83	42.69	9.36	(3.15)	25.96	11.03	49.00	15.66
Net Profit (+) / Loss (-) from Ordinary Activities after tax	26.29	104.13	147.99	201.79	308.57	406.69	128.37	235.76	185.44	580.19	563.07	715.03
Other Comprehensive Income												
Items that will be reclassified to profit or loss	81.16	(42.76)	-	14.81	-	(80.65)	(20.98)	120.00	-	84.63	-	(228.96)
Income tax relating to Items that will be reclassified to profit or loss	(28.36)	(3.53)	-	(23.76)	-	27.91	(43.13)	2.17	-	(22.25)	-	25.00
Items that will not be reclassified to profit or loss												
Actuarial gains and losses	1.27	2.19	(4.24)	3.82	(12.73)	(1.45)	1.12	3.28	(2.71)	4.19	(14.86)	(9.57)
Fair Value gain on FVOCI investments	0.59	1.16	1.51	1.06	1.30	(0.05)	0.59	1.16	1.51	1.06	1.30	(0.05)
Tax relating to Items that will not be reclassified to profit or loss	(0.53)	(0.91)	0.95	(1.32)	3.96	0.52	(0.61)	(1.21)	0.95	(1.62)	5.20	0.77
Total comprehensive income for the year	80.42	60.28	146.21	196.40	301.10	352.97	65.36	361.16	185.19	646.20	554.71	502.22
Profit attributable to :												
Owners of the company	26.29	104.13	147.99	201.79	308.57	406.69	103.69	203.80	174.01	492.59	534.26	640.85
Non Controlling Interest	-	-	-	-	-	-	24.68	31.96	11.43	87.60	28.81	74.18
Net Profit/Loss after taxes, non controlling Interest	26.29	104.13	147.99	201.79	308.57	406.69	128.37	235.76	185.44	580.19	563.07	715.03
Total comprehensive income attributable to :												
Owners of the company	80.42	60.28	146.21	196.40	301.10	352.97	20.22	228.16	142.31	545.54	501.69	394.50
Non Controlling Interest	-	-	-	-	-	-	45.14	133.00	42.88	100.66	53.02	107.72
Total comprehensive income for the year	80.42	60.28	146.21	196.40	301.10	352.97	65.36	361.16	185.19	646.20	554.71	502.22
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	294.75	294.75
Earnings Per Share (EPS) (Not Annualised)												
- Basic	0.45	1.77	2.51	3.42	5.23	6.90	1.76	3.46	2.95	8.36	9.06	10.87
- Diluted	0.45	1.77	2.51	3.42	5.23	6.90	1.72	3.43	2.93	8.26	8.95	10.87



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 :

- IT Services
- Business Process Management (BPM)

(Rupees in millions)

Particulars	Q3'18-19			Q2'18-19			Q3'17-18			YTD' Dec 18			YTD' Dec 17			FY 17-18		
	IT	BPM	Total	IT	BPM	Total	IT	BPM	Total	IT	BPM	Total	IT	BPM	Total	IT	BPM	Total
Revenue	1,619.38	1,239.87	2,859.25	1,613.57	1,185.47	2,799.04	1,314.83	1,033.54	2,348.37	4,703.11	3,563.21	8,266.32	3,621.92	3,133.07	6,754.99	4,962.09	4,140.60	9,102.69
Identifiable expenses	1,457.47	1,085.17	2,542.64	1,441.49	1,044.27	2,485.76	1,204.61	936.12	2,140.73	4,163.30	3,156.16	7,319.46	3,374.84	2,790.69	6,165.53	4,538.26	3,744.12	8,282.38
Segment results	161.91	154.71	316.62	172.08	141.20	313.28	110.21	97.42	207.63	539.81	407.05	946.86	247.08	342.38	589.46	423.83	396.48	820.31
unallocable expenses			75.88			82.67			54.58			231.19			160.57			243.60
Other income			-52.39			89.89			90.04			60.82			256.55			244.32
Profit before taxes			192.69			326.44			249.30			792.26			705.43			843.89
Tax expenses			64.32			90.68			63.86			212.07			142.36			128.86
Profit after tax			128.37			235.76			185.44			580.19			563.07			715.03

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.

NOTES:

- The unaudited consolidated financial results and the unaudited standalone financial results of the Company for the quarter and nine month ended December 31, 2018 have been reviewed by the Audit Committee of the Board and approved by the Board of Directors at its meeting held on January 31, 2019. The statutory auditors have reviewed consolidated and standalone unaudited financial results.
- The unaudited standalone financial results have been prepared in accordance with Indian Accounting Standards (Ind AS), the provisions of the Companies Act, 2013 (the Act), as applicable and guidelines issued by the Securities and Exchange Board of India (SEBI).
- The Company has an investment of Rs. 646.30 million in two of its wholly owned subsidiaries and has also extended loans and advances of Rs. 11.82 million to these subsidiaries as on December 31, 2018. The net worth of these subsidiaries is lower than the amount of investment. The investments are for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future, provision for diminution in the value, if at all required is not made.
- The Board of Directors of DATAMATICS GLOBAL SERVICES LIMITED ("DGSL"), and LUMINA DATAMATICS LIMITED ("Lumina") in their respective board meetings on December 14, 2018, approved a proposal to merge the two Companies into DGSL under a Composite Scheme of Arrangement under sections 230-232 of the Companies Act, 2013 ("Scheme"). The business of Lumina Datamatics would then be demerged under the same Scheme from the Company into LDR E-Retail Ltd and would be listed post the demerger. Thus, the shareholders of DGSL will have an identical shareholding pattern in both DGSL and LDR E-Retail Ltd. The latter will be renamed as Lumina Datamatics Limited as a part of the same Scheme. The scheme is subject to regulatory approvals including the stock exchanges, SEBI, National Company Law Tribunal, etc. and proposes an appointed date of April 1, 2019.
- Effective 1 April 2018, the Company adopted Ind AS 115 'Revenue from contracts with customers'. The effect on adoption of Ind AS 115 on the financial results is insignificant.
- Previous quarter figures have been appropriately regrouped and reclassified wherever necessary to conform to the current year presentations.

For and on behalf of the Board
Datamatics Global Services Limited



Rahul L. Kanodia

Rahul L. Kanodia
Vice Chairman & CEO

Place : Mumbai
Date : January 31, 2019