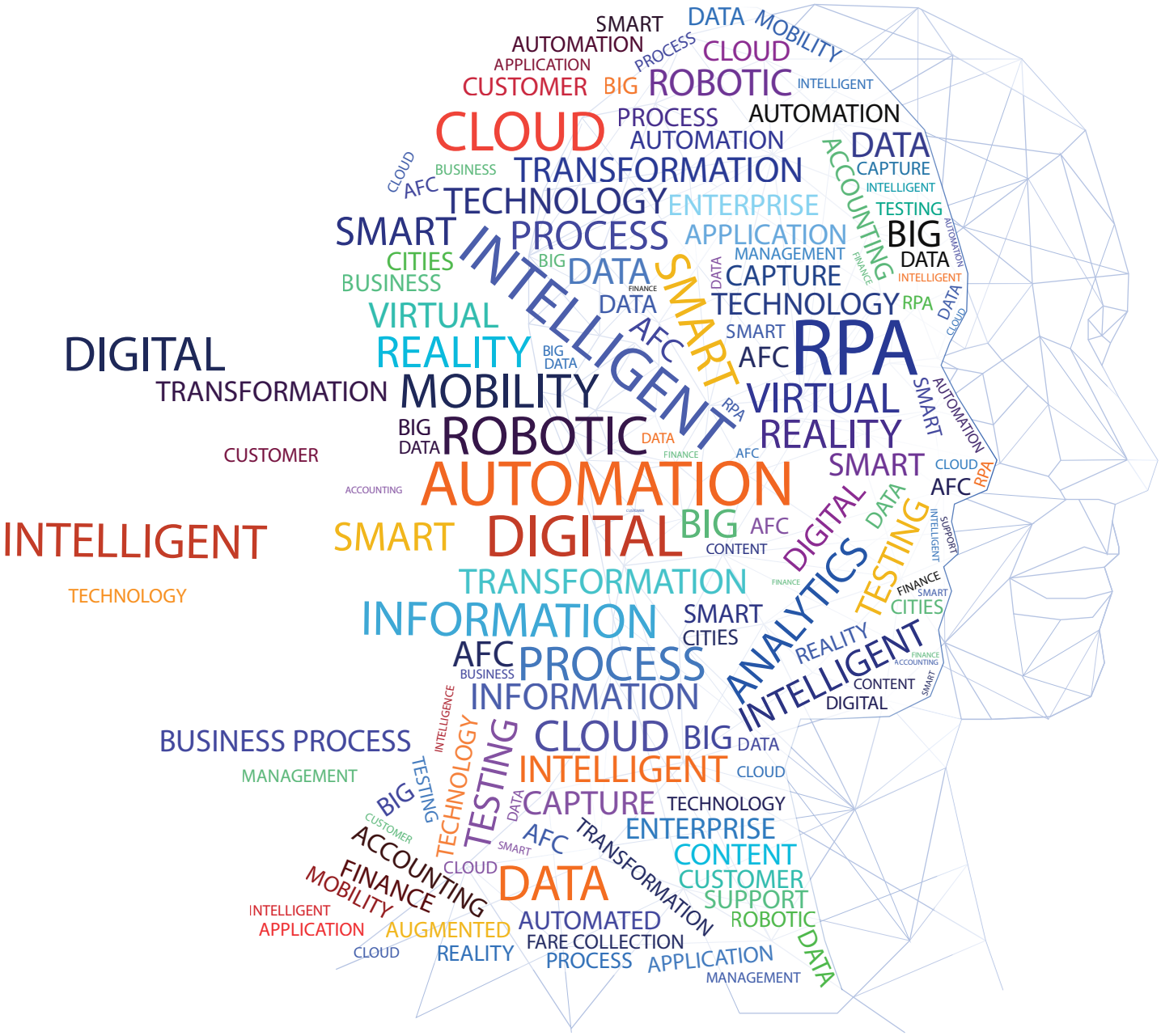
DATAMATICS®
Data to Intelligence

ANNUAL REPORT
2018–19

INTELLIGENT SOLUTIONS FOR DATA DRIVEN BUSINESSES



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Datamatics Global Services Limited (Datamatics) builds intelligent solutions for data-driven businesses to improve their productivity and customer experience. The Company's portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics, powered by Artificial Intelligence. Datamatics also has established products in Robotic Process Automation, Advanced Analytics, Business Intelligence and Automated Fare Collection. Headquartered in Mumbai, the Company has strong presence in the USA, Australia, Asia, Europe, and the Middle East.

CONSOLIDATED REVENUE
(₹ in Million)

11,335

↑ 24.5

EBITDA
(₹ in Million)

1,339

↑ 63.2

WORLDWIDE
(Customers)

550+

WORLDWIDE
(Employee strength)

10,000+

OFFICES
(in Countries)

6

GLOBAL DELIVERY CENTERS
(in Regions)

4

↑ Growth y-o-y (in %)

Intelligent solutions for **data-driven businesses**

As the world is evolving towards an integrated, data-driven society and digital-first economies are reshaping business models and value creation paradigms, we at Datamatics see a larger role for ourselves in the markets in which we operate.

With decades-rich experience, we build intelligent solutions that enable data-driven businesses to digitally transform themselves and strengthen their future-readiness in a dynamic operating environment. Our global clients rely on us to enhance their productivity and elevate their customer experience.

From Information Technology Services, Business Process Management, to Engineering Services and Big Data Analytics powered by Artificial Intelligence, we are catalysing a new wave of transformation possibilities. Artificial intelligence, robotics and deep analytics are enabling our clients to accomplish encouraging outcomes in new and innovative ways.

With top-notch standards of service quality and operational excellence served through our customised offerings, we enable our clients to take intelligent decisions and accelerate the time-to-market for staying ahead of the curve in the connected world.

At a Glance

What we do

We build intelligent solutions for data-driven businesses to enhance their productivity and customer experience.

EXPERTISE

Information Technology (IT)

Smart Systems

DATAMATICS TruBot

DATAMATICS TruBI

DATAMATICS TruFare

Business Process Management (BPM)

Smart Processes

DATAMATICS iPM

Transforming businesses across industries

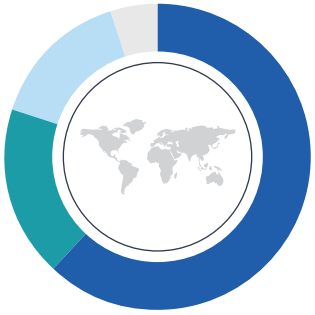
- Banking and Financial Services
- Publishing
- Healthcare
- Insurance
- Travel and Hospitality
- Retail and E-commerce
- Transportation
- Manufacturing and Logistics
- International Organizations

Top three revenue contributors by industry (%)

- Banking and Financial Services - 27
- Publishing - 27
- Manufacturing - 10
- Others - 36

Top three revenue contributors by region (%)

- USA - 62
- Europe - 18
- India & ME - 15
- Others - 05



Strategic Focus

Strengthening digital solutions footprint

We deliver a comprehensive suite of innovative services and solutions to customers including Fortune 500 companies for managing their end-to-end Application Life Cycle and Business Critical Processes.

Our stellar brand reputation in the market and strong foothold in the IT and ITeS space, along with a three-decade long legacy of delivering solutions tailored to client requirements have helped us create sustainable value for all our stakeholders.

We have identified the following strategic priorities to drive robust revenue growth and margin improvements going forward:

Strategic Priorities

- **Focus on products and platforms**
- **Automated Fare Collection opportunity**
- **Establish partner and reseller channels**
- **Increase account penetration**
- **Invest in marketing and branding**
- **Digital Solutions – Robotic Process Automation, mobility, cloud, analytics**

In FY 2018-19, Datamatics made significant investments in strengthening its digital footprint, and is now uniquely positioned to implement digital technologies such as Robotic Process Automation, Mobility, Analytics, Cloud and Artificial Intelligence for its customers. We are focusing on deepening our account penetration with our customers, which include Fortune 500 companies, by cross-selling and up-selling through integrated sales and marketing efforts.

Datamatics is also developing and updating its own IP solutions in the digital technology space. Our products and platforms, such as TruBot in Robotic Process Automation, TruCap+ in intelligent data capture, iPM in end-to-end workflow management, TruBI in business intelligence and data visualization, and TruFare in Automated Fare Collection, are gaining good traction.

As part of our product strategy, we are aggressively investing in expanding our partner network to increase the sales momentum and ensure smooth implementation and support for our IP products globally. Datamatics has also been investing in marketing and branding efforts to increase visibility and geographic reach.

Automated Fare Collection (AFC) has been one of our key focus areas. In FY 2018-19, we won the Automated Fare Collection contract for Mumbai Metro Line 2A, 2B and 7. With rapid urbanization globally as well as in India, we believe the AFC space offers significant potential, and we are well positioned to capitalize on this opportunity by leveraging our expertise and experience in providing AFC solutions to 25 major projects globally. We are the leading company in India to have highly evolved AFC, Smart Gates and Contactless Gates service offerings. Datamatics offers a robust roadmap for upgrades and lowest lifecycle costs with long-term engagements that are critical to infrastructure projects.

In addition, we are constantly exploring emergent technologies such as Artificial Intelligence (AI) and Cognitive Science, and Augment and Virtual Reality at our state-of-the-art research and development center – DataLabs – to complement our existing offerings. Datamatics Digital Limited, erstwhile Techjini, provides us a strong foothold in the mobility and web technologies space, and is doing great work in augmented reality and virtual reality.

Business Overview

Transformation through smart solutions

In an ever-changing business scenario that demands doing more with less, managing processes that improve enterprise outcomes and agility are business imperatives.

Datamatics is a technology company that builds intelligent solutions for data-driven enterprises. Our portfolio spans Information Technology Solutions, Business Process Management (BPM) and Engineering Services, powered by Artificial Intelligence. Datamatics also has established products in Robotic Process Automation, Advanced Analytics, Business Intelligence, and Automated Fare Collection.

Business Process Management (BPM)

- **Financial Transaction Processing**
- **Content Management and Publishing**
- **Customer Management**

The global BPM market grew 4.5% y-o-y to USD198 Billion in 2018, driven primarily by high SaaS adoption, Artificial Intelligence (AI) and Robotic Process Automation. The US remains the biggest market for BPM, contributing over 60% to our revenues. India's share in global sourcing spend in the BPM sector grew from 35% in 2012 to 38% in 2018, attributed to an increase in customer trust. Exports grew at 8.3%, driven largely by automation-led high-end services.

Our BPM offerings help organizations drive cultural change through digitization and automation, providing tangible benefits to enterprises in terms of higher process efficiency, increased compliance, complete transparency, shorter time-to-market, and customer delight.

BPM: FY 2018-19 performance highlights

REVENUE (₹ in million)	GROWTH Y-O-Y (in %)	REVENUE CONTRIBUTION (in %)	EBITDA MARGIN (in %)	REPEAT BUSINESS (in %)
4,837	16.8	42.7	12.6	97.1

IT Solutions

- **Application Management Services**
- **Digital Solutions**
  - Robotic Process Automation (RPA)
  - Enterprise Mobility
  - Cloud Solutions
- **Automated Fare Collection (AFC)**

Meanwhile, global sourcing and IT spends grew at 3.7% and 3.2%, respectively, in 2018 and the trend is likely to continue. Legacy services including ADM and testing is also likely to grow at a steady pace. The AFC market is estimated at USD12 Billion by 2024, at a CAGR of 11.1% from 2017. Incremental opportunity in this market is expected to be about USD7 Billion over the same period. The India opportunity is expected to grow at a CAGR of 18% over 2018-24.

Datamatics is well positioned to implement digital technologies such as Robotic Process Automation, Mobility, Analytics, Cloud and Artificial Intelligence (AI) for its customers. Datamatics with its experience and expertise has carved out a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions.

IT Solutions: FY 2018-19 performance highlights

REVENUE (₹ in million)	GROWTH Y-O-Y (in %)	REVENUE CONTRIBUTION (in %)	EBITDA MARGIN (in %)	REPEAT BUSINESS (in %)
6,498	30.9	57.3	11.2	92.8

Robotic Process Automation (RPA)

Datamatics TruBot is an enterprise grade, multi-skilled bot programmed to enhance enterprise's productivity. It automates a range of simple as well as complex processes. With TruBot Designer, a business user with no programming knowledge, can design bots with ease. Also, with TruBot Cockpit entire bot workforce deployed across the enterprise can be managed centrally.

TruBot also comes with an intelligent data capture solution, TruCap+ which has integrated artificial intelligence (AI) & fuzzy logic and captures meaningful data from unstructured documents. In addition with TruBot Neuro, bots get reasoning capabilities enabling them to handle complex transactions which are generally reliant on human expertise and intervention.

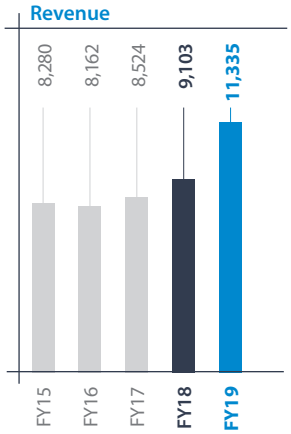
Robotic Process Automation (RPA)

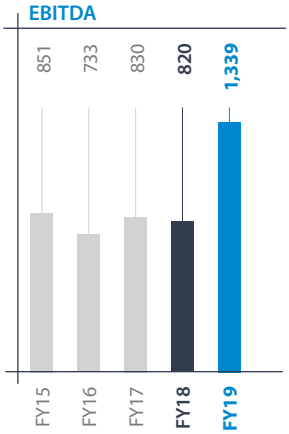
ACTIVE TRUBOTS	PROCESS AUTOMATED	CUSTOMERS WORLDWIDE	TRUBOT EXPERTS	DOCUMENTS PROCESSED THROUGH TRUCAP+ (in Mn)
2,600+	800+	95+	200+	300+

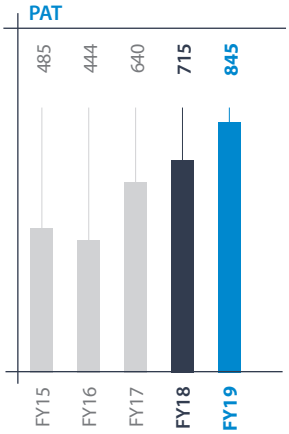
Key Performance Indicators

Robust revenues, stable margins

Steady growth over the past five years ₹ (in million)

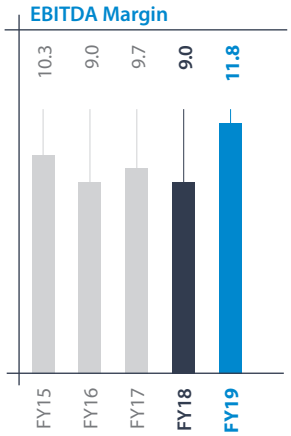


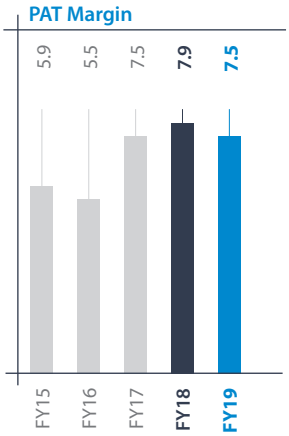




Note: EBITDA excluding Other Income
PAT before Minority Interest

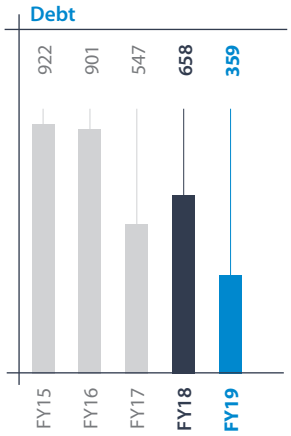
Stable margins (in %)

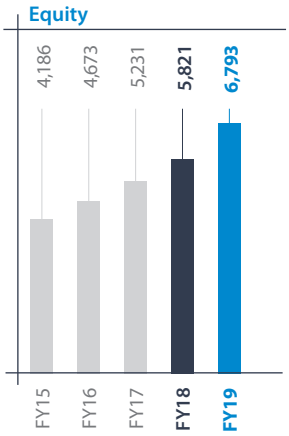


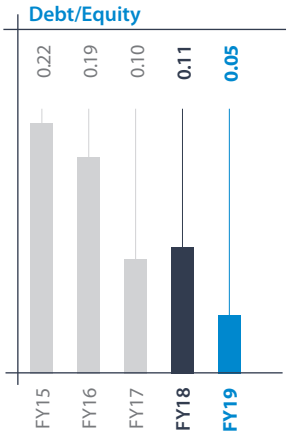


Note: EBITDA excluding Other Income
PAT before Minority Interest

Healthy balance sheet ₹ (in million)

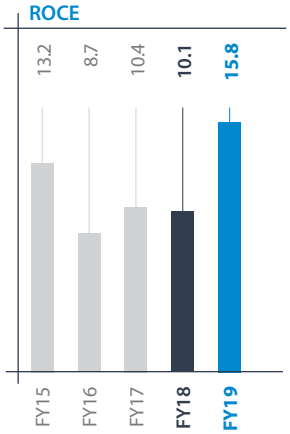


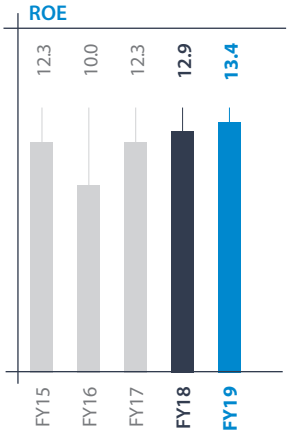




Note: FY15 and FY16 equity and debt as per I-GAAP
FY17 to FY19 as per IND-AS standards

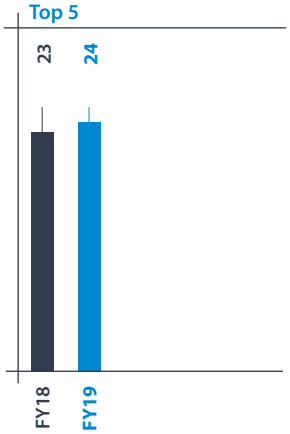
Improving return ratios (in %)

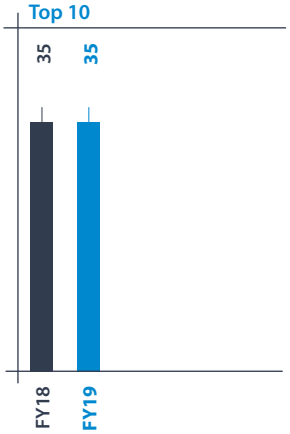


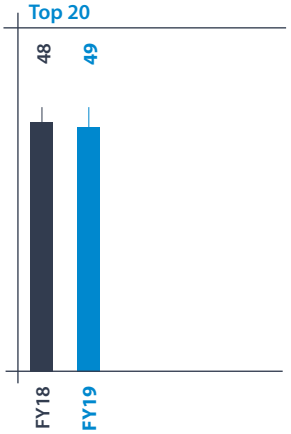


Note: FY15 and FY16 equity and debt as per I-GAAP
FY17 to FY19 as per IND-AS standards

Client concentration (in %)







Chairman's Message

Digital revolution offers novel opportunities

Digital solutions are likely to show an increasing level of revenue contribution driven by robotics and enterprise mobility. We see Automated Fare Collection (AFC) and Smart Cities as potential growth areas driven by rapid urbanization in India and across the globe.

Dr. Lalit Kanodia
Chairman

Dear Shareholders,

Data is the currency of the connected world, with disruptive technologies becoming mainstream and constantly challenging the traditional models of doing business. Enterprises are increasingly looking at digital transformation to gain competitive edge and improve customer satisfaction by leveraging the humungous amounts of data to derive

With data in our DNA, Datamatics is well positioned to capitalize on the opportunities by helping enterprises in their digital transformation journey.

better business insights.

Although many businesses have incorporated data-driven insights into their decision-making matrices, the vast potential of data transforming businesses towards a sustainable future has yet to be fully realized. The digital revolution is simultaneously disrupting as well as opening up a plethora of new and novel opportunities for businesses.

Trends and opportunities

Gartner expects global IT spending to grow to $3.76 Trillion in 2019 and further to $3.87 Trillion in 2020. NASSCOM estimates India's revenue from data and analytics to grow 8 times to reach $16 Billion by 2025. The industry will be driven by increased demand for cloud-based (SaaS) and predictive analytics solutions as enterprises focus on business outcome and customer experience.

Spending is moving from saturated segments such as mobile phones, PCs and on-premise data-center infrastructure to cloud services and Internet of Things (IoT). Legacy services including application management and testing are likely to grow at a steady pace. Two most important value drivers that are propelling technology and BPM sectors are enhanced customer experience and higher emphasis on digitizing the core to build truly digital organizations. Global spending on RPA software grew 57% y-o-y to $680 Million in 2018, and is expected to touch $2.4 Billion by 2022, according to Gartner; 85% of large and very large organizations are likely to deploy some form of RPA by end-2022.

Digital solutions are likely to show an increasing level of revenue contribution driven by robotics and enterprise mobility. We see Automated Fare Collection (AFC) and Smart Cities as potential growth areas driven by rapid urbanization in India and across the globe. The AFC worldwide market is expected to touch $12 Billion, at an 11.1% CAGR over FY17-24. India is witnessing rapid growth in metro rail network with 664 kilometres of metro rail projects in 15 cities under various stages of implementation, reflecting the vast potential for automated fare collection solutions in India.

Looking Ahead

The advancements in AI, Machine Learning (ML) and Natural Language Processing (NLP) are creating a whole new horizon of automation possibilities. As cognitive increasingly becomes the next frontier for an enterprise's journey to be future-ready, the ability to harness the power of vast swathes of unstructured data and creating a 'data first' culture will be critical to survive and thrive. It is also the key to eliminating the unknowns in an ever-changing business environment.

With data in our DNA, Datamatics is well positioned to capitalize on the opportunities by helping enterprises in their digital transformation journey. There's no doubt that every transformation journey comes with its own set of costs and challenges, but the cost of doing nothing is likely to be much higher.

As we move into FY 2019-20 with a focus on intelligent data capture, Robotic Process Automation (RPA), Robotic Test Automation (RTA), cloud computing, mobility, big data and analytics, artificial intelligence, and widening our client base. I would like to thank all our stakeholders, including our staff who we believe are our biggest asset, for their valuable and continued support, and our clients.

Yours sincerely,

Dr. Lalit Kanodia
Chairman

Vice Chairman & CEO Message

Enabling enterprises transcend to the next level

Datamatics will continue its focus on strategic priorities both internally as well as externally to drive profitable growth. We are excited to build on the momentum we generated over the past fiscal year and for the opportunities that lie ahead.

Rahul L. Kanodia
Vice Chairman & CEO

Dear Shareholders,

FY 2018-19 was an excellent year for Datamatics with robust revenue growth of 24.5%. We also experienced strong growth in our digital businesses. Our consolidated revenue came in at ₹11,335 million and Profit After Tax grew 18.1% to ₹845 Million. Revenues from IT services grew 30.9% and Business Process Management (BPM) grew 16.8%. EBITDA stood at ₹1,339 Million, up 63.2%. We crossed an employee base of 10,000, which serves more than 550 customers worldwide.

At Datamatics, we are well positioned to leverage data and analytics and transform technologies for our customers. Datamatics with its experience and expertise has carved out a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY 2018-19, we made significant efforts and investments in strengthening our digital footprint.

In FY 2018-19, we launched the new version of our Robotic Process Automation (RPA) product TruBot 3.0. Our efforts at making a superior RPA product, TruBot, were appreciated by leading global analysts, Gartner, Everest Group, IDC, and Forrester. TruBot also featured among the top four RPA products with an overall rating of 4.5, in Gartner verified customer reviews.

Cloud is a growing area and we have partnered with leading cloud solutions providers such as Amazon Web Services and Microsoft Azure. We have successfully delivered several projects and are witnessing a lot of interest across customers.

We made two acquisitions – Techjini (rechristened Datamatics Digital Limited) and RJ Globus Solutions Inc. – in the past two financial years. We are now deriving significant synergies from both. Datamatics Digital has given us a strong foothold in the mobility and web technologies space, and is doing niche work in augmented reality and virtual reality. In FY 2018-19 Datamatics Digital revenue grew 52% y-o-y. RJ Globus, a multi-lingual voice and text-based customer service and back-office solutions provider in the Philippines, expanded our BPO portfolio. It offers a new service line to our customers. Its delivery center in the Philippines offers the benefits of a geographically spread global delivery network to our customers along with India, Europe and the USA. In FY 2018-19, RJ Globus revenue grew 20% y-o-y.

Automated Fare Collection (AFC) has been our key focus area. We see this as a huge opportunity in India and other emerging economies around the world. Over the last 15 years, we have been instrumental in successfully executing over 25 marquee projects in tier 1 metropolitan cities across the globe. We are the only Company in India to have highly evolved AFC, Smart Gates and Contactless Gates service offerings, and have rapidly deployed AFC solution in India at the Lucknow Metro Rail Corporation. This year, we also won the Automated Fare Collection contract for the Mumbai Metro Line 2A, 2B and 7.

Datamatics continued to focus on developing its partner and reseller program. We signed 23 new partners in Q4, taking the total partner strength to 54 across the globe. The evolving partner ecosystem will increase our sales momentum and will ensure smooth implementation and support for Datamatics IP products line comprising TruBot and TruBI.

Datamatics received several awards and recognitions in FY 2018-19. For the fourth consecutive year, our product, TruBot was voted the best solution at the CIO Choice Awards 2019. Datamatics was also the recipient of the Indian Merchants Chamber Digital Technology Award 2018 for TruBot and TruAI.

Datamatics has extensively invested in research on emerging technologies such as Artificial Intelligence, Machine Learning, Analytics, Natural Language Processing (NLP), Blockchain and Robotics. Through DataLabs, our R&D center and incubation hub, we strive to create intelligent solutions for complex challenges faced by businesses and governments in today's data-driven economy. TruAI, our comprehensive Artificial Intelligence platform that businesses use for Pattern Detection, Text and Data Mining is a solution from DataLabs. TruAI will power other solutions from Datamatics' existing portfolio – Robotics, Analytics and Finance and Accounting, to provide cognitive capabilities that will further enhance productivity.

Datamatics will continue its focus on strategic priorities both internally as well as externally to drive profitable growth. We are excited to build on the momentum we generated over the past fiscal year and for the opportunities that lie ahead. We remain committed to innovating and expanding our enterprise offerings to help our customers enhance productivity and customer experience.

As global businesses aspire to become Smart Enterprises by accelerating the adoption of Digital Technologies, Datamatics is well positioned to capitalize on this trend. The Company made the right moves in the past fiscal year to deliver innovative products and solutions that our customers need, at a faster pace than ever before. We are confident that our rich customer base, domain expertise and deep understanding of the customer landscape, technology investments and our proprietary solutions combined with our global scale, will enable us to make significant impact in the digital world.

I take this opportunity to thank our valued shareholders and all our stakeholders – clients, partners, employees – for being an integral part of our growth journey, and their continued support and encouragement.

Yours Sincerely,

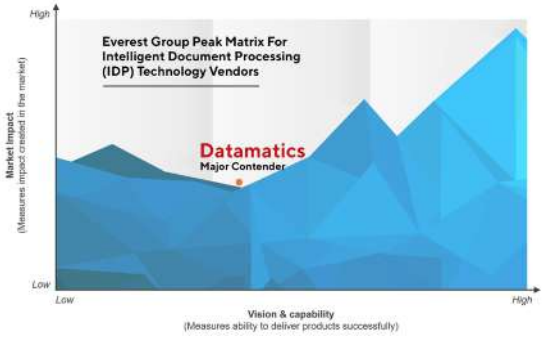
Rahul L. Kanodia
Vice Chairman & CEO

Achievements

Recognitions and Awards in FY 2018-19

Analyst Coverage

In FY 2018-19 Datamatics featured in various reports by leading global analysts such as Gartner, Everest Group, IDC and Forrester. Some of the key mentions are as follows:



Robotic Process Automation

- Datamatics TruBot recognized by Gartner in 'How C&SI and Managed Service Providers Must Approach Their Product Strategy 2019' as 'successful services companies developing products'
- Datamatics featured in Gartner's 'Forecast Snapshot: Robotic Process Automation, Worldwide, 2018 Update' as 'software providers with multiple software products including RPA'
- Datamatics TruCap+ featured in Everest's 'Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2019' as a 'Major Contender'
- Datamatics TruBot featured in Everest Group's 'Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2018'
- Datamatics featured in IDC's 'RPA Vendor Assessment 2018, APAC'
- Datamatics featured in Forrester's Now Tech: RPA Services, Q4 2018

Datamatics TruBot also featured amongst top 4 with an overall rating of 4.5, in Gartner Peer Insights with over 120 Gartner verified reviews by TruBot users.

Business Process Management

- Datamatics featured in Everest Group's first 'Finance and Accounting Digital Augmentation Suite (F&A DAS) – Service Provider Landscape with Solutions PEAK Matrix™ Assessment 2018'
- Datamatics featured in 'Banking BPO Digital Capability Platform (DCP) – Service Provider Landscape with Solutions PEAK Matrix™ Assessment 2019'
- Datamatics featured in 'Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019' as 'Star Performer'.
- Datamatics featured in Gartner's 'Market Guide for Finance & Accounting Business Process Outsourcing Service Providers 2019'
- Datamatics featured in Gartner's Market Guide for Customer Management Business Process Outsourcing Service Providers 2019'

Datamatics TruBot enables bot management and analytics capabilities through TruBot Cockpit, which provides a real-time dashboard view of the bots deployed across the enterprise.

IDC Report on
Robotic Process Automation Vendor Assessment 2018

Awards and Achievements

Datamatics also received awards from industry bodies for its solutions. Some of the key awards are as follows:

Datamatics

- IBM awarded Datamatics '2019 IBM Asia Pacific Excellence Award' for Top Transformation Business Partner
- International Association of Outsourcing Professionals (IAOP) featured Datamatics in 'The Best Of Global Outsourcing 100' list
- Indian Merchant Chamber (IMC) awarded Datamatics Digital Technology Award 2018 for TruBot, and TruAI in the 'Excellence in Emerging Technology' category
- Computer Society of India (CSI) recognized Datamatics as the 'Best Cognitive Technology Provider of the Year 2018'
- Awarded 'CIO Choice 2019' award in 'Emerging Technologies Vendor' category for TruBot
- Datamatics wins Rail Analysis India Award 2019 for TruFare, its Automated Fare Collection (AFC) product
- Berkshire Media recognized Datamatics as the 'Best IT Services and Solutions Company of the Year 2018'
- World HRD Congress recognized Datamatics as the 'National Best Employer Brands' at 27th World HRD Congress. Also it awarded Datamatics 'The Best HR Team' and 'The Best Talent Acquisition Model of the year' awards.
- Datamatics Learning & Development team won Leap Vault CLO Award for 'The Best Induction Training Program' in the Silver Category from Tata Institute of Social Sciences at the 10th Edition of Chief Learning Officers Summit

Cignex Datamatics

- Awarded 'Design Thinking Organization of the year' at the 4th edition of Design Thinking Conclave and Awards
- Awarded as 'Emerging Enterprise' at the 2nd edition of Great Indian Workplace Awards 2018
- Ranked 23rd in 'India's Great Mid-size Workplaces-2018' by Great Places to Work® Institute (GPTW).
- Recognized as 'Best-in-Class Employer of the Year' at the 2nd edition of Employee Engagement Leadership Converge
- Awarded 'Best Employer Brand' and 'Excellence in HR through Technology' Awards by Gujarat Best Employer Brand Award 2018

Lumina Datamatics

- Received special recognition at Indian Merchant Chamber (IMC) IT Awards 2017 for its product RightsPlatform, a rights management tool with workflow management, asset management, and photo research capabilities.
- UBS Transformance recognized Lumina Datamatics with 'Great Indian Workplace Award – 2018' in the eContent and eRetail category
- Awarded 'Best Workplace Diversity' award at the Future HR Summit and Awards 2019
- World HRD Congress awarded Lumina Datamatics 'Global Best Employer Brand Awards 2019' for Talent Management. It also recognized Lumina Datamatics as 'Tamil Nadu Best Employer Brand' for 2018

Board of Directors

Dr. Lalit Kanodia
Chairman

Dr. Lalit S. Kanodia, the Founder and Chairman of Datamatics Group of Companies, is one of the pioneers in the Indian Software and Offshore Services industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up Tata Consultancy Services in 1967. As the Chief Mentor at Datamatics, Dr. Kanodia drives all innovation, new product development and quality initiatives. Dr. Kanodia is on the Executive Board of MIT (Europe, Asia and Africa). After obtaining a degree in engineering from IIT, Bombay, he completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA).

Rahul L. Kanodia
Vice Chairman & CEO

Rahul L. Kanodia has been the chief architect of re-positioning and transforming Datamatics from a service-led to a solutions organization focused on enhancing business productivity through smart automation of data-driven processes. Rahul is responsible for driving the Company's strategic process of identifying, evaluating and integrating organic and inorganic business growth options, that include mergers & acquisitions, partnerships and alliances. He is the Chairman of NASSCOM's Regional Council as well as the Western Region of Electronics and Computer Software Export Promotion Council (ESC). Rahul holds an MBA from Columbia University (USA) with a major in Business Strategy & Marketing and a minor in Mergers & Acquisition and Turnaround Management.

Dilip D. Dandekar
Director

Dilip Dandekar has over 45 years of experience in marketing, administration and overall management of companies. He is the Chairman of Kokuyo Camlin Ltd, and Camlin Fine Sciences Ltd. He served as the President of the Indian Merchants' Chamber and Maharashtra Chamber of Commerce, Industry and Agriculture. He is a member of the Executive Committee of the Federation of Indian Chambers of Commerce and Industry. He is currently the Honorary Consul of Mongolia, Mumbai.

R. K. Saraswat
Director

R. K. Saraswat has over 40 years of experience in Project Finance, General Administration and Advanced Accounts. He held the positions of Director (Finance) at Datamatics Limited; President, S. M. Dyechem Limited and Senior Vice President, Grasim. At Grasim, he was part of the team that set up its Mangalore refinery project. He is a Commerce graduate and a Fellow of The Institute of Chartered Accountants of India.

Sameer L. Kanodia
Executive Director

Sameer L. Kanodia has more than 20 years of experience and drives various strategic initiatives, expansion plans and go-to-market strategies for Datamatics. He has managed several large and complex projects. He received his Bachelor of Science in Business Administration degree from Bryant University, USA, with a major in Marketing. Sameer subsequently did his Master's in Business Administration from Bryant University with a major in Finance. He has been a member of the Board of Trustees at his alma mater, Bryant University, since 2008 and also been a member of the IT Committee at the Indian Merchant's Chamber, Mumbai, since 2010.

Asha L. Kanodia
Director

Asha L. Kanodia graduated in Psychology from the University of Mumbai. She studied Social Psychology at the Massachusetts Institute of Technology, US. She is also an Interior Designer and has designed most of Datamatics offices.

Shahzaad S. Dalal
Director

Shahzaad Dalal guides corporates through their growth plans and other strategic developments, and advises on exits through a range of methods, including IPOs and strategic sales. He is a Management Graduate from the USA.

Vinay M. Aggarwal
Director

Vinay Aggarwal has an MBA in Finance from North Eastern University, USA. After a stint with Unisys in Detroit, he became the Vice President of Tata Unisys Ltd. (1981- 89). Thereafter, he was appointed as the CFO of TCS (1990- 2003). He also worked briefly as the CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an Independent Consultant.

Leadership Team

Rahul L. Kanodia
Vice Chairman & CEO

Alok Kumar Jha
EVP and Chief Human Resources Officer

Brajesh Ugra
President- Global Sales

Divya Kumat
EVP, Chief Legal Officer and Company Secretary

Mitul Mehta
SVP and Head- Marketing and Communications

Navin Gupta
EVP and Head-Business Process Management Services

Rajesh Agarwal
SVP & Head-Robotic Process Automation

Sachin Rane
EVP and Head-Software Solutions

Sandeep Arora
EVP and Head-Consulting and Advisory Practice

Sandeep Mantri
VP and Chief Financial Officer

Sanjeet Banerji
EVP and Head-Artificial Intelligence and Cognitive Sciences

Sanjeev Subhedar
EVP and Head-Engineering Solutions

Shashi Bhargava
EVP and Head-Solutions Group

Corporate information

Registered Office
Knowledge Centre
Plot No. 58, Street No. 17
Andheri (E)
Mumbai – 400093
Tel: +91 (22) 6102 0000 – 0005
Fax: +91 (22) 2834 3669

Corporate Identification Number (CIN)
L72200MH1987PLC045205

Registrar & Share Transfer Agents
Datamatics Business Solutions Limited
Plot No. B-5, Part B, Cross Lane
MIDC, Andheri (E)
Mumbai – 400093
Tel: +91 (22) 6671 2151
Fax: +91 (22) 6671 2230
Email: depository@datamaticsbpm.com

EVP, Chief Legal Officer & Company Secretary
Divya Kumat

Auditors
M/s. M L BHUWANIA AND CO LLP

Solicitors
M/s. Bulwark Solicitors

Bankers
Citi Bank
ICICI Bank Limited
HDFC Bank Limited
Standard Charterd Bank

Boards' Report

On behalf of the Board of Directors, I am happy to present the 31st Board's Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2019.

Financial Performance

The Company's financial performance for the year ended March 31, 2019 as compared to the previous financial year ended March 31, 2018 is summarized below:

(₹in million)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Revenue from operations	11,334.90	9,102.69	3,896.72	3,378.50
Other Income	108.12	244.32	66.49	226.43
Total Income	**11,443.02**	**9,347.01**	**3,963.21**	**3,604.93**
Profit before Interest, Depreciation and Tax	1,230.35	1,064.63	547.17	660.21
Interest	47.71	40.30	34.50	34.41
Profit before Depreciation and Tax	1,182.64	1,024.33	512.67	634.55
Depreciation	260.35	203.30	120.32	102.33
Share of profit of joint venture	8.98	22.86	-	-
Profit Before Tax	**1,147.51**	**843.89**	**392.35**	**523.45**
Provision for Taxation	302.76	128.86	99.99	116.76
Profit After Tax	**844.75**	**715.03**	**292.36**	**406.69**
Share of Minority Interest in Profit for the year	99.68	74.18	-	-
Profit for the year	**745.07**	**640.85**	**292.36**	**406.69**
Balance Brought Forward from Previous Year	3,290.81	2,637.21	1,721.80	1,388.83
Purchase of Non-controlling Interest	(18.72)	86.43	-	
Dividend	(24.57)	(73.68)	(24.61)	(73.72)
Tax on Dividend	-	-	-	-
Transfer to General Reserve	-	-	-	-
Balance Carried Forward	**3,992.59**	**3,290.81**	**1,989.55**	**1,721.80**

The Company has prepared the financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013 (the 'Act') and other relevant provisions of the Act.

There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the Annual Accounts. Accounting policies have been consistently applied except where a newly issued accounting standard or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses consolidated and standalone financial results on a quarterly basis which are subjected to limited review and publishes consolidated and standalone audited financial results on an annual basis.

Overview of Company's Financial Performance

The Company is a global IT and ITeS organization focused on delivering proactive and smart data to intelligence business solutions helping enterprises across the globe address their business challenges.

We are pleased to inform you that the Company's consolidated revenue has crossed ₹ 10,000 million for the first time. On a Consolidated basis, your Company achieved revenue from operations of ₹ 11,334.90 million higher by 24.5% as compared to ₹ 9,102.69 million in the previous year . The profit after tax for the current year was ₹ 844.75 million registering a growth of 18.1% over ₹ 715.03 million in the previous year.

The revenue from operations on a standalone basis is ₹ 3,896.72 million higher by 15.3% as compared to ₹ 3,378.50 million in the previous year. The profit after tax for the current year was ₹ 292.36 million as against ₹ 406.69 million in the previous year. The profit after tax is reduced primarily due to forex hedging gain accrued and dividend received from subsidiary Company in the previous year.

Dividend

Based on the Company's performance, Directors are pleased to recommend for approval of Members, a final dividend of ₹ 1.00 per share (20%) for the Financial Year 2018-19.

Transfer to Reserves

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation. However, credit balance of Profit and Loss of ₹ 1,989.55 million is transferred to Balance Sheet under the head 'Reserves and Surplus'.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund (IEPF)

In terms of Section 125 of the unclaimed or unpaid Dividend relating to the financial year 2011-12 is due for transfer on November 29, 2019 to the IEPF established by the Central

Government. More details are available on http://www.datamatics.com/investors/unpaidunclaimed-dividend.

The Shareholders of the Company who have not received or encashed their dividend warrants are requested to claim the unpaid/unclaimed dividend from the Company before its transfer to IEPF.

Acceptance of Deposits

The Company has not accepted any deposits during the Financial Year 2018-19 in terms of Chapter V of the Act.

Subsidiary Companies

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2019:

1. Cybercom Datamatics Information Solutions Limited
2. Lumina Datamatics Limited
3. Datamatics Digital Limited
4. CIGNEX Datamatics Technologies Limited
5. LDR eRetail Limited
6. Attune Infocom Private Limited
7. Datamatics Staffing Services Limited (w.e.f. March 18, 2019)
8. Datamatics Robotics Software Limited (w.e.f. April 09, 2018)
9. RJ Globus Solutions Private Limited
10. LD Publishing & eRetail Limited*

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2019:

1. Datamatics Global Services, Inc. (US)
2. Techjini Inc (US)
3. Datamatics Infotech Limited (UK)
4. Datamatics Global Services Pty Limited (Australia)
5. Datamatics Global Technologies Limited (Mauritius)
6. Datamatics Global Technologies AG (Switzerland)
7. Datamatics Global Services FZ-LLC (Dubai)
8. Datamatics Global Services Corp. (Philippines)
9. Datamatics Robotics Software, Inc (US)
10. Lumina Datamatics, Inc. (US)
11. Lumina Datamatics GmbH (Germany)
12. Lumina Datamatics Assessment and Analytics, LLC (US)
13. CIGNEX Datamatics Corporation (BVI)
14. CIGNEX Datamatics, Inc. (Michigan)
15. CIGNEX Datamatics GmbH (Germany)
16. CIGNEX Datamatics Pte. Limited (Singapore)
17. CIGNEX Datamatics UK Limited (UK)
18. Duo Consulting Inc. (US)
19. RJ Globus, Inc (US)
20. RJ Globus Solutions Inc (Philippines)
21. Datamatics Global Technologies GmbH (Germany)*

* In the process of liquidation/striking off.

In accordance with Section 129 (3) of the Act, the statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is given in the financials section.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company including Consolidated Financial Statements along with relevant documents and separate Audited Financial Statements in respect of subsidiaries are available on the website of the Company.

Acquisitions:

Datamatics Digital Limited (Earlier known as Techjini Solutions Private Limited)

At the beginning of the financial year, the Company was holding 71.1% Equity Stake in Datamatics Digital Limited. During the year under review, the Company acquired additional 10% Equity stake in Datamatics Digital Limited on March 18, 2019 and the balance 18.9% equity stake was acquired in the Month of May 2019. With the aforesaid acquisitions, Datamatics Digital Limited has become wholly-owned subsidiary.

Datamatics Digital Limited, is a boutique mobile and web application Development Company which caters to Fortune 500 companies across business verticals such as media, engineering, manufacturing and start-ups.

Headquartered in Mumbai, Datamatics Digital Limited is a leading software services company with presence in United States (US), and has a specialized focus on digital experiences, mobile based web application development and maintenance services. Datamatics Digital Limited caters to over 35 companies across business verticals such as media, engineering, manufacturing and start-ups. Datamatics Digital Limited is one of the first 13 companies in the world to be certified under the Google Developer Agency Program.

The objective of this acquisition is to further strengthen Datamatics' enterprise mobility offerings through target Company's range of smart technology solutions.

Share Capital

As on March 31, 2019, the paid-up share capital of the Company was ₹ 294.75 million divided into 58,949,337 equity shares of ₹ 5/- each fully paid up. During the year, there has been no change in the paid- up share capital of the Company.

The authorized share capital of the Company was ₹ 975.5 million as on March 31, 2019.

Board of Directors and Key Managerial Personnel

Retirement by Rotation.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sameer L. Kanodia, retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment.

Re-appointment of Mr. Radhakrishna K. Saraswat and Mr. Dilip D. Dandekar as Independent Directors of the Company.

The members of the Company had, at the 26th Annual General Meeting held on September 23, 2014 appointed Mr. Radhakrishna K. Saraswat and Mr. Dilip D. Dandekar as Independent Directors of the Company for a period of five years with effect from September 23, 2014. According to their terms, the tenure of Mr. Radhakrishna K. Saraswat and Mr. Dilip D. Dandekar as Independent Directors expires on September 22, 2019.

On recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 09, 2019, subject to the approval of shareholders at ensuing AGM, re-appointed Mr. Radhakrishna K. Saraswat and Mr. Dilip D. Dandekar as Independent Directors of the Company for a further period of three years and five years respectively with effect from September 23, 2019.

A brief profile of Mr. Radhakrishna K. Saraswat and Mr. Dilip D. Dandekar are provided in the Notice of AGM.

Declaration by Independent Directors.

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Meetings of the Board

During the financial year, six meetings of the Board of Directors were held, the details of which are given in the Corporate Governance Report of the Company, which forms a part of this Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act.

Board and Committee Evaluation

The Companies Act, 2013 and SEBI Listing Regulations contains broad provisions on Board Evaluation i.e. evaluation of the performance of (i) the Board as a whole, (ii) individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board.

Pursuant to the said provisions, the Board has carried out the annual performance evaluation of the entire Board, its Committees and all the Directors based on the parameters specified in the Report of Corporate Governance.

A separate meeting of Independent Directors was held to discuss the performance of Non-Independent Directors, Board as a whole and Chairman after considering the views of Executive Directors and Non-Executive Directors.

Future Growth Strategy

The financial year 2018-19 witnessed steady growth in its digital business which is attributed to the Company's strong focus on developing proprietary solutions having high inter-operability. These are aligned to our clients' business goals and are intended to serve as growth engines across industry verticals – Banking, Financial Services, Insurance, Manufacturing, Retail, Publishing and Transportation to name a few.

Investment in new technologies and product development

For the next 3-5 years, Datamatics' growth will be anchored on a two-pronged strategy of striking the right balance between traditional IT and BPM businesses as well as focus on creating innovative solutions through the incubation hub – DataLabs.

With the growing demand for customized solutions and enterprises embracing new technologies, Datamatics is focusing on employing 'design thinking' at its core while developing comprehensive and engaging solutions that integrate the back, middle and front offices. The synergies would be primarily directed towards helping clients create a work culture, where the onus is on understanding their end-customer requirements and helping shared services to keep pace with customer-facing teams. This paradigm shift is towards a holistic, end-customer-centric ecosystem that leverages technology to increase productivity, efficiency, and speed as well as optimize operational expenditures.

Digital technologies, a super-set of Social, Mobility, Analytics, and Cloud (SMAC), along with Robotics and Artificial Intelligence, are creating disruption in the ways businesses are run. At the same time digital technologies are creating lots of opportunities for the businesses. Digital technologies like robotic process automation, cloud computing, mobility are some of the areas where Datamatics sees lot of opportunity. To address the robotic process automation market opportunities, this year Datamatics launched the new version of our Robotic Process Automation product TruBot 3.0. The features of this version makes it extremely user friendly for business users to build their own bots which will enable our customers and enterprises to scale up their RPA program. Cloud is another growing area and Datamatics has partnered with leading cloud solution providers including Amazon Web Services and Microsoft Azure to address the opportunity. Datamatics had acquired TechJini in 2018 which has given it a strong foothold in the Mobility and Web technologies domain and has been doing great work in enterprise mobility and technologies like augmented reality and virtual reality.

Strengthening business to drive sustainable growth

With a focus on expanding operations in existing and new geographies, Datamatics is actively focusing on leveraging the partnership model by associating with various OEMs, resellers, and integrators for faster and deeper penetration of Datamatics' solutions – TruBI and TruBot in different markets. The Company aims to further enhance brand visibility and generate greater revenue through cross-sell and upsell of our comprehensive offerings to existing clients.

The need for metro rails and Automated Fare Collection is growing across emerging economies, and India is witnessing a strong demand for these rapid transit systems. Datamatics is the only Company in India to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings and has deployed the fastest AFC system in India with contact-less smart card ticketing solution at Lucknow Metro Rail Corporation. This year Datamatics also won Automated Fare Collection contract for Mumbai Metro Line 2A, 2B and 7. We see a huge opportunity in the smart city infrastructure development government schemes.

Datamatics will continue to invest in new technologies and product development in the area of Robotics, Artificial Intelligence, Mobility and Analytics that will help their clients stay competitive.

Quality

Quality has always been the guiding light for the Company. This has helped us to remain focused on the goal of ensuring customer delight over the years and to create and maintain a distinct edge over the competitors. The consistent high customer satisfaction ratings and effusive customer testimonials bear an eloquent testimony to this commitment for quality. Needless to say, quality at Datamatics has not only been a legacy but it has been strewn inseparably into its culture, custom and character.

The Company believes in the philosophy that quality encompasses and permeates every action and thought process. Quality at Datamatics goes beyond product and services, and forms an integral part of the Datamatics culture. It would not be an exaggeration to claim that Quality is the DNA of your company. The industry has always been kind in recognizing the Company's performance, and this year too, Datamaticians and Datamatics featured prominently at various industry platforms by winning prestigious awards.

Your Company is the first and the only I.T. Company to have won the "International Asia Pacific Award" for Quality in services sector. The Award was won against competition from hundreds of companies from 38 countries spread across the world, including the US, Japan, Australia, New Zealand, Russia, Canada, China, Israel, South Korea, Peru and Mexico. Your Company also won the prestigious "IMC IT Award for Quality". We have won the Global Quality Challenge award of one of the fortune 100 organizations for the ninth time. Further significant initiatives of the Company towards quality are:

Further significant initiatives of the Company towards quality are:

1) Certifications:

The Company's quality management systems (QMS) that forms the backbone of all the processes and the way day-to-day operations are carried out is a very comprehensive and robust standard that draws from a host of international standards and benchmarks. This includes ISO 9001:2015, SEI CMMI, ITIL, Agile, ISO 20000 and so on. The QMS has been successfully assessed and certified for ISO 9001:2015 and SEI CMMi Ver 1.3 high maturity level L4. During all the surveillance periodic assessment audits, there has been no major non-conformity observed. All the new centers that we added in the financial year have also been successfully assessed and certified to the above international standards.

As you are aware, with the growing complexity of the digital economy, the threat on the information security and data also increases in terms of complexity and impact. Your company is fully aware of this challenge and we constantly keep upgrading our information security management systems (ISMS). Our operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements and HIPAA requirements. The Company is in the final stages of renewing its PCI-DSS certification. As you would be aware, these standards are extremely important for Financial, Insurance and Healthcare industries.

Our commitment to ensure a robust information security management system for our customers has been bolstered by these certifications. We have implemented Security Information and Event Management (SIEM) solution as well which will further strengthen the Information security management. There is a conscious thrust on risk management as an organization strategy and the risks and mitigation plans are reviewed regularly at all pertinent levels.

A lot of thrust has also been put in enhancing the overall project management skills of our project managers. As you would be aware, your company is a Registered Education Provider (REP) with Project Management Institute (PMI) for imparting Project Management Professional (PMP) trainings. This financial year, 15 project managers were certified as PMP. In the next financial year, the focus on enhancing these skills will continue.

GDPR Regulations

As you would be aware, General Data Protection Regulations (GDPR), the most important regulation around data privacy in the European Union region came into force last year. All our contracts with the customers in the EU region have been revised to incorporate the requirements of GDPR. Our processes have been further strengthened around the GDPR requirements. A dedicated Data Protection Officer (DPO) has been appointed to address issues, if any, raised around GDPR compliance. All the relevant employees and management have been trained on GDPR principles and requirements. GDPR awareness is an integral part of the employee induction program.

2) Customer Satisfaction Tracking:

Datamatics, as part of its commitment to ensure superior customer satisfaction, conducts a half-yearly customer satisfaction survey. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the company.

We feel proud to share with you that we continue a stellar performance on this count. Your company scored 5.09 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that 80% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely satisfied and Delighted. This year we are also focusing on the Customer Experience as the Organizational focus area. The results on the same are also extremely encouraging.

Apart from this, the more frequent and real time Customer Feedback Capture mechanism that captures feedback through other formal and informal channels also reports an improving trend in the customer sentiment towards our processes and performance.

3) Continuous Improvement - Lean Six Sigma
The Company has a mature and well-entrenched continuous improvement program. This program is based on the principles of Lean, Six Sigma and Kaizen. The program focuses on making our processes more efficient, productive, accurate and cost effective. The program continues to deliver significant benefits to the organization with improvements in productivity, efficiency, accuracy and customer satisfaction. Overall 415 Lean Six Sigma projects and 1850 Kaizens were successfully completed since 2007.

The Company has about 25 Six Sigma Green Belt and 40 Six Sigma White Belt certified professionals along with 6 Six Sigma Black Belt and 1 Six Sigma Master Black Belt certified professionals. The Company spent over 3000 person hours of training around continuous improvement in the FY 2018-19.

Robotics Process Automation

The Robotics Process Automation ("RPA") practice did exceedingly well in the financial year 18-19 as well. It has grown over 100% this year and shall continue to achieve similar growth in the coming years. We now have 200+ RPA Consultants working for clients in USA, Europe, Middle East and in India and are working with multi-billion organizations in BFSI, Manufacturing and Logistic sector.

We released the latest version of TruBot 3.0 this year which enables our business users to create the bots on their own without depending on technical knowledge. It has strong security features and a versatile dashboard to manage these bots.

We continued to receive several rewards and recognition for our RPA product TruBot even this year. Datamatics has been acknowledged with the CIO Choice 2019 and 2018 award as honor and recognition for RPA. Datamatics RPA has been awarded as the Best Cognitive Technology Provider by Computer Society of India. We received special recognition at the IMC Digital Technology Awards for RPA.

We participated in major RPA events across the globe for enhancing the market visibility and to generate new leads. We have been invited as key speakers and panelists at these RPA events besides being present at the booths to exhibit our products and soliciting enquiries.

Our strong presence in the global events & seminars and continuous engagement have given boost to our marketing activities and we got much better coverage by big analyst firms this year.

1. Gartner Recognizes Datamatics In Competitive Landscape: Consulting & System Integration Service Providers For RPA;

2. Gartner Recognizes TruBot In Forecast Snapshot: Robotic Process Automation, Worldwide, 2018 Update;

3. TruBot Features In Everest PEAK Matrix Assessment, 2018: RPA – Technology Vendor Landscape;

4. Forrester Recognizes Datamatics In Now Tech: RPA Services 2018;

5. TruBot Features In IDC's RPA Vendor Assessment 2018;

6. NASSCOM Recognizes TruBot For Cognitive RPA – The Future of Automation;

7. TruBot Features In Everest Annual Report – 2018 For Robotic Process Automation;

8. TruBot Features In Everest's RPA - Technology Vendor Profile Compendium 2018.

Further in this year, we have achieved good success in empanelling the partners for our RPA program and we are getting a very good response from these channel partners. A separate dedicated team has been created to manage these partners and we have appointed 25 such partners already globally. These will add to our sales engine besides our direct sales.

Human Resources Management and Employee Relations

We strongly believe that people are the most important assets of any organization, and are instrumental in the growth of the Company. The mantra of 'In your success, lies our success', helps us create a culture that promotes innovation and excellence, leading to employee delight and enhanced productivity. We invest in employees, support their goals and provide them a platform to excel and grow. The HR task force is passionate about their work, and creates a lively work environment by implementing best in class HR practices.

Human Resource Department ("HRD") with its continued efforts took initiatives to maintain the best and improve the overall organizational capability and productivity so as to be value driven and future-ready. The global headcount as on March 31, 2019 was 10,000 plus.

Talent Acquisition

The Talent Acquisition Team ensures timely on-boarding at the right cost & quality across diverse functions, skills and geographies. The team has been using innovative methods of hiring with extensive focus towards mapping, networking & social media for niche & leadership hiring. The best industry practices are meticulously followed towards sourcing, assessments, candidate engagement, background verifications, compliance & organization branding.

The Talent Acquisition team thoroughly emphasis its role as a catalyst towards business goals. The team effectively ensures a thorough screening process which leads to saving time of the interviewers. Automation helps business with accurate and timely reports. The team has made impactful savings in leadership and overall hiring through cost-effective mediums of hiring. On boarding resources on niche skills has built significant customer confidence.

The Team has embraced Social Media Engagement that has played a key role towards Employer Branding, Passive Talent Engagement, Industry Intelligence and open communication.

Learning & Development

The Learning and Development team believes in co-creating a culture of learning and continuous improvement along with employees, to build and grow the employee's career. To enhance and upgrade their competencies, blended learning opportunities are provided through various mediums like training workshops, online modules, certifications and cross-functional projects both locally and globally.

During the financial year 2018-19, the following learning and development impact was measured across the organization:

- Robust induction programs were planned for all new employees to familiarize and smoothly induct them into the organization;
- 30+ courses were launched on eShiksha LMS and 2663 members completed the courses;
- L&D team executed 45 WebEx sessions leading to cost savings;
- Eagles IX was launched with the objective of bringing the best from each department and creating cross-functional teams which are mentored to achieve the goals defined by the leadership team;
- As on date, the Company has over 70+ certified Project Management Professional (PMP) professionals who have been trained internally and certified. In the FY 2018-19, 15 employees got certified in PMP;
- Train the Trainer (TTT) program continues to be a cost effective model for the organization and has resulted in saving and cost effectiveness;
- L&D has clocked 2,89,053 Person-hours in the year 2018-19 with average feedback of 4.3 out of 5.

Talent Management

The Talent management team supports the management in identifying talents and promotes the development of all employees. In DGSL, talent management has an integrated approach for providing the right fit and then further providing employees with opportunities for development, identifying high-potential, and creating succession planning. The talent management team with the aim to align the people practices with the business needs has carried out the following activities this year.

- Focus Group Discussion & Individual Competency Mapping was conducted to finalize the critical competencies for all the unique roles across the organization;
- Designed half a day workshop 'Interview like a Pro – Interviewing skills' training program for hiring managers/leaders to enable them to conduct Competency Based Interviews;
- A repository of standardized job description (JD) was developed and is now available on intranet Pulse. This has been developed and made available for all hiring managers and leaders to ensure they do not have to re-invent the wheel of writing JDs from the scratch;
- New Employee orientation is a vital step to acclimatize the new hire to the working culture and environment of the organization, an online portal has been put together for the same to equip the new hires with all necessary information;
- Training 2.0 and practioners' sessions by in-house experts were designed and executed for the Graduate Executive Program (GEP). This year the GEP participants will undergo sponsored higher education program with leading MBA institute, which would further hone their skills and contribute towards the Company's growth plan;
- iCertify program was launched this year. This program provides an online platform for employees to attempt technical assessments and earn certification.

HR Operations

The HR Operations team Partners with Business in every step to ensure successful execution of people strategy in line with the dynamic and continuously evolving business needs. To ensure our practices and processes are well established and meet the underlined objectives, the team follows standard processes which are streamlined based on the industry best practices and ensure continuous communication.

The key initiatives undertaken during the year is highlighted as follows:

- **Trainee & Apprentice Program:** Datamatics has been supporting & encouraging the National Apprenticeship Promotion Scheme (NAPS) and Employment Promotion Program (EPP) aimed at skill development and promoting youth employment with local economic opportunities. During the FY 2018-19, we hired & trained 1358 such trainees under both the programs;
- **ASK HR:** Effective internal tool based query redressal machinery has been evolved and established in the company. Majority of the queries have been disposed of within 3 working days of its receipt;
- **New Entrant Observation ("NEO"):** One to One Session conducted by HR for new recruits after completion of 30 days, 60 days and 90 days in the organization. Employees share their experience. The aim of this program is to gather employee's feedback on good practices and improvement areas. In FY18-19, we have received feedback from 2145 employees;
- **Probationary Review:** HR collects the performance feedback from the manager post 2-4-6 month's completion of the new joiners. In FY18-19, we have received feedback of 1378 employees;
- **Euphoria:** Monthly meeting is conducted by the HR & business functions, which offers the team an opportunity to interact with each other, come together and celebrate. It provides a platform on monthly basis for the seniors & HRD to provide updates, to have an element of fun together, reward & recognize employees, all with a munch & mingle session at the end;
- **Instant Recognition and Client Appreciation:** The R&R program has given good results while recognizing the individual as well as the team performance. The reward program was one of the key retention tools across the organization. In FY 18-19, total 712 awards were conferred to employees;
- **Engagement Activities:** Various wellness, financial awareness & fun activities were organized throughout the year through the local JOSH committee across locations. Employees got a chance to showcase & experience the diversity in culture & festivals through a sense of pride, collaboration & team work.

Automation

The HR team is always on the look out to leverage our in-house talent and build automation tools to enhance our overall employee experience positively, thereby impacting the bottom line leading to a cost effective HR model. Below are the HR automation initiative implemented this year.

- **NEO:** New Entrant Observation tool was automated. It captures the feedback of all the new joiners;
- **Pulse Database:** The employee database structure was consolidated in Pulse with creation of additional relevant data fields;
- **Competency Platform on e-dialouge:** Competency Platform was built on intranet Pulse under e-dialogue to facilitate the mapping of employees to the defined roles and the competencies required to succeed in the role.

Disclosure Under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 ("POSH Act")

The Company has always provided a safe and harassment free workplace for every individual working in its premises through various policies and practices. The Company always endeavors to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company is actively involved in ensuring that the employees/resources are aware of the provisions of the POSH Act and rights thereunder.

The Company has constituted an Internal Committee (IC) as required under POSH Act and the constitution of the committee is in compliance with the said Act.

The Company has also adopted Anti-Sexual Harassment Policy in place which is in line with requirements of the POSH Act, 2013 and is fully committed to uphold and maintain the dignity of every women executive working in the Company. The Company's Policy provides for protection against sexual harassment at workplace and for prevention and redressal of such complaints.

Number of complaints pending as on the beginning of the financial year: 0

Number of complaints filed during the financial year: 0

Number of complaints pending as on the end of the financial year: 0

Particulars of Employees

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as "Annexure – A" to this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars drawing remuneration in excess of the limits set out in the said Rules forms part of the report. However, having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during the working hours. Any member interested in obtaining such information may write to the Company Secretary, at the Registered Office and the same will be furnished on request.

Datamatics' Insider Trading Policy for Regulation of Trading by Insiders

Datamatics has formulated an Insider Trading Policy for Directors and employees to comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 (Insider Trading Regulations). This policy is framed adopting the standards set in the Insider Trading Regulations to regulate, monitor, and report trading by its employees to achieve compliance with the said Regulations

The Insider Trading Policy for Regulation of Trading by Insiders is available on our website (http://www.datamatics.com/sites/default/files/insider-trading-policy.pdf)

Directors' Responsibility Statement

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge confirms that:

(i) in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(ii) they have selected such accounting policies and applied them consistently and made judgements 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 the year ended on that date;

(iii) they have 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) they have prepared the annual accounts on a 'going concern' basis;

(v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

(vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Secretarial Standards

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

Secretarial Auditor

The Company had appointed Mr. Tushar Shridharani, Practicing Company Secretary, to conduct the secretarial audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed as "Annexure – B" to this Report.

As per the requirements of the SEBI Listing Regulations, Mr. Tushar Shridharani, Practicing Company Secretary, have undertaken secretarial audit of Lumina Datamatics Limited, material unlisted Indian subsidiary of the Company for the FY 2018-19. The Audit Report confirms that Lumina Datamatics Limited have

complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

Information on Auditors' Observations

1. Statutory Auditors:
   The report of the Statutory Auditors on Standalone and Consolidated Financial Statements forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

2. Secretarial Auditor:
   The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

Statutory Auditors

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013 M/s. M L BHUWANIA AND CO. LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting, subject to ratification by Shareholders at each AGM.

In accordance with the Companies Amendment Act, 2017, enforced on May 07, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

During the year, the statutory auditors have confirmed that they satisfy the independence criteria required under the Companies Act, 2013 and other applicable provisions of law.

Maintenance of Cost Records as Specified by the Central Government Under Sub-Section (1) Of Section 148 of the Companies Act, 2013

As per provisions of sub section (1) of Section 148 of the Companies Act 2013, the Company is not required to maintain cost records.

Details in Respect of Frauds Reported by Auditors Under Sub Section (12) of Section 143 other than those which are Reportable to the Central Government

No frauds were reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013

Corporate Governance

Pursuant to the SEBI Listing Regulations, Report on Corporate Governance for the year under review, is presented in a separate section. A certificate from M/s. M L BHUWANIA AND CO LLP, confirming compliance of conditions of Corporate Governance, as stipulated under the SEBI Listing Regulations, is annexed to this report.

Material changes and commitments, if any, affecting the Financial Position of the Company which have occurred between the end of the Financial Year of the Company to which the Financial Statements relate and the date of the report

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

Management Discussion and Analysis

The Management's Discussion and Analysis Report for the year under review, as stipulated under SEBI listing Regulation is presented in a separate section.

Composition of the Committees of the Board

There are currently four Committees of the Board, as under:

- Audit Committee;
- Corporate Social Responsibility Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee.

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

Particulars of Loans, Guarantees and Investments

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes to Financial Statements, which forms part of this Annual Report.

Contracts and arrangements with related parties

All contracts, arrangements and transactions entered by the Company with related parties during FY 2019-20 were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company's policy on related party transactions.

Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. However detailed disclosure on related party transactions as per IND AS-24 containing name of the related party and details of the transactions have been provided under financial statements.

The Company has formulated a Policy on Related Party Transactions which is also available on Company's website at http://www.datamatics.com/investors/corporate-governance. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

Policies

The SEBI Listing Regulations mandated the formulation of certain policies for all Listed Companies. In compliance with the above requirement, all our policies are available on our website

(http://www.datamatics.com/investors/corporate-governance). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct, key policies that have been adopted by the Company are as follows:

Name of the Policy	Brief Description	Web Link
Whistleblower/Vigil Mechanism	The Company has formulated and adopted a Whistleblower Policy/Vigil Mechanism for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and ethics.	http://www.datamatics.com/sites/default/files/WhistleblowerPolicy.pdf.
Corporate Social Responsibility (CSR) Policy	The Policy outlines the Company's strategy for bringing about a transformation in the quality of life of people in the society through social upliftment programs. The CSR vision of our Company is "Employability & Environment".	http://www.datamatics.com/sites/default/files/CSR-Policy-DGSL-Final.pdf
Policy on Material Subsidiaries	The Policy is framed to determine Material subsidiaries of the Company and to provide governance framework for such subsidiaries of the Company.	http://www.datamatics.com/sites/default/files/Policy-on-Material-Subsidiaries.pdf
Related Party Transaction Policy	Related Party Transactions Policy is framed to ensure the proper approval and reporting of transactions between the Company and its related parties.	http://www.datamatics.com/sites/default/files/Related-Party-Transaction-Policy.pdf
Insider Trading Policy	The Policy provides the framework in dealing with the securities of the Company.	http://www.datamatics.com/sites/default/files/insider-trading.pdf
Policy for determination of Materiality of Events	The Policy is framed to provide an overall governance framework for determination of materiality of events / information and to ensure timely and adequate disclosures of material events / information fully, fairly, correctly and transparently to the concerned authorities.	http://www.datamatics.com/sites/default/files/Policy-on-determination-of-Materiality-of-Events.pdf
Document Retention and Archival Policy	The Policy is framed to outline the guidelines for retention and archival for corporate records / documents of the Company.	http://www.datamatics.com/sites/default/files/Document-Retention-and-Archival-Policy.pdf

Internal Financial Controls

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Audit Committee is responsible for implementing and maintaining the internal control and periodically reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Company has adopted accounting policies which are in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act, and other relevant provisions of the Act.

Risk Management Policy

Risk Management is embedded in Datamatics operating framework. The Company has a duly approved Risk Management Policy, which lays down broad guidelines for the appropriate authority to identify, assess, categorise and prioritise risks in a timely manner and formulate plans for mitigation of such risks.

The Internal Audit function is responsible for assisting the Investment & Risk Management Committee on an independent basis with full status of the risk assessments and management. Operationally, management process to identify key risks across the organization and prioritise relevant action plans to mitigate these risks.

Corporate Social Responsibility ("CSR")

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the financial year 2018-19 are annexed as "Annexure – C" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

Composite Scheme of Arrangement

The Board of Director have, at their meeting held on April 27, 2018 subject to obtaining the requisite approvals/consents, approved the Composite Scheme of Arrangement under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited, Datamatics Global Services Limited and their respective shareholders.

As per the directions of the National Company Law Tribunal, Mumbai Bench, Meeting of the equity shareholders of the Company was held on Thursday, May 09, 2019 at Mumbai to approve the Composite Scheme of Arrangement.

The requisite majority required under the SEBI Circulars for approval of the Scheme was not obtained since the votes cast by the public shareholders of DGSL in favour were less than the votes cast against the same. Hence, the Scheme was withdrawn.

Demerger and Listing of Lumina Datamatics Limited

The Board of Director have, at their meeting held on December 14, 2018, subject to obtaining the requisite approvals/consents, approved the Composite Scheme of Arrangement under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder between Lumina Datamatics Limited, Datamatics Global Services Limited,

LDR ERetail Limited and their respective shareholders (hereinafter referred to as "Lumina Demerger Scheme").

The National Company Law Tribunal, Mumbai Bench, had directed the Company to hold Meeting of the equity shareholders of the Company on Wednesday, June 19, 2019 at Mumbai to approve the Composite Scheme of Arrangement providing, inter alia, for approval of Lumina Demerger Scheme.

As per the terms of the Scheme, this Scheme was conditional upon a separate Composite Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 for the proposed demerger and vesting of Demerged Undertaking of Delta Infosolutions Private Limited ("Delta") into Datamatics Infotech Services Private Limited ("DISPL") on a going concern basis and thereafter proposed amalgamation and vesting of the residual Delta (post demerger) into Datamatics Global Services Limited ("DGSL"), becoming effective (hereinafter referred to as "Delta Scheme").

However, the requisite majority required under the SEBI Circulars for approval of the Scheme was not obtained since the votes cast by the public shareholders of DGSL in favour were less than the votes cast against for the Delta Scheme. Hence, the authorised representatives of Delta Scheme withdrew the Scheme.

Since the conditionality in relation to the approval of the Delta Scheme, was not met, application was filed before the Tribunal for withdrawal of the Lumina Demerger Scheme which was sanctioned by Tribunal on May 27, 2019.

Significant/Material orders passed by the Regulators

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

Annual Return

Extract of the Annual Return for the Financial Year ended on March 31, 2019 as required by Section 92(3) of the Act and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is annexed as "Annexure - D" to this Report and can be accessed at www.datamatics.com under the 'Investor' Section.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Details relating to conversation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are mentioned hereunder:

A. Conservation of Energy:

(i) Our Company being in IT & ITES industry, our operations are not energy intensive. Adequate measures have been taken to conserve energy.

(ii) The Company has not taken any steps for utilising alternate sources of energy.

(iii) There were no additional capital investment on energy consumption equipments and proposals if any, being implemented for reduction of consumption of energy as the nature of the Company's operations entails a very low level of energy consumption.

B. Technology Absorption:

(i) Every effort is made by the Company to update the technological skills of its technical staff in order to ensure that they possess adequate skills to enable them to service the Company's clients.

(ii) The Company has not imported any technology during the year under review.

(iii) The Company is predominantly a service provider and therefore has not set up a formal R&D unit. However, it continues to develop software tools and products in its existing delivery setup.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned in terms of Actual Inflows : ₹ 2,555.76 million.

Foreign Exchange Outgo in terms of Actual Outflows : ₹ 155.05 million.

Acknowledgements

Your Directors' place on record their deep appreciation to employees, customers, shareholders, vendors, bankers, financial institutions, Governments authorities and other stakeholders at all levels for their hard work, dedication and commitment. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman
DIN 00008050

Place : Mumbai
Dated : May 09, 2019

Annexure – A

To the Boards' Report

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

(i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2018-19:

Sr. No.	Particulars	Ratio to Median remuneration
Executive Directors		
1.	Dr. Lalit S. Kanodia	65.46
2.	Mr. Rahul L. Kanodia	82.16
3.	Mr. Sameer L. Kanodia	16.44
Non-Executive Directors		
1.	Mr. R. K. Saraswat	2.88
2.	Mr. Sudhir C. Deshpande	0.00
3.	Mr. Shahzaad S. Dalal	1.18
4.	Mr. Dilip D. Dandekar	2.38
5.	Mrs. Asha L. Kanodia	2.59
6.	Mr. Vinay M. Aggarwal	2.88

(ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial officer and Company Secretary in the financial year 2018- 19:

Sr. No.	Particulars	% Increase in remuneration in the FY#
1.	Dr. Lalit S. Kanodia	5.44
2.	Mr. Rahul L. Kanodia	6.05
3.	Mr. Sameer L. Kanodia	-31.50
4.	Mr. R. K. Saraswat	96.00
5.	Mr. Sudhir C. Deshpande*	-100.00
6.	Mr. Shahzaad S. Dalal	300.00
7.	Mr. Dilip D. Dandekar	62.00
8.	Mrs. Asha L. Kanodia	76.00
9.	Mr. Vinay Agarwal	96.00
10.	Ms. Divya Kumat, Company Secretary	42.29
11.	Mr. Sandeep Mantri, Chief Financial Officer	17.76

* Mr. Sudhir C. Deshpande ceased to be a Director w.e.f. March 14, 2018.

Include performance incentive payment.

(iii) The percentage increase in the median remuneration of employees in the financial year: 8.44%

(iv) The number of permanent employees on the rolls of Company: 5159 Employees

(v) The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 13% in India. The individual increments varied from 5% to 15%, based on individual performance. Employees outside India received wage increase varying from 1% to 2%. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2019 (₹ in Million)	43.15
Revenue (₹ in Million)	3,896.72
Remuneration of KMPs (as % of Revenue)	1%
Profit before tax (PBT)) (₹ in Million)	392.35
Remuneration of KMP (As % of PBT)	11%

(vii) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2019	March 31, 2018	March 31, 2017	% Change
Market Capitalization (₹ in Million)	6,071.78	6,042.31	7,468.88	0.5%
Price Earnings Ratio	8.22	9.43	11.51	-12.83%

(viii) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2019	March 31, 2018	% Change
Market Price (BSE)	103.25	110	-6%
Market Price (NSE)	103.00	110	-6%

(ix) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 13%.

Increase in the managerial remuneration for the year was 9%

(x) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Dr. Lalit S. Kanodia	Mr. Rahul L. Kanodia	Mr. Sameer L. Kanodia	Mr. Sandeep Mantri	Ms. Divya Kumat
Remuneration in FY 2019 (₹ in Million)	11.14	13.98	2.80	6.72	8.52
Revenue (₹ in Million)			**3,896.72**		
Remuneration as % of revenue	0.29%	0.36%	0.07%	0.17%	0.22%
Profit before tax (PBT) (₹ in Million)			**392.35**		
Remuneration of KMP (As % of PBT)	2.84%	3.56%	0.71%	1.71%	2.17%

Annexure – A *(Contd.)*

To the Boards' Report

(xi) The key parameters for any variable component of remuneration availed by the Directors:

(a) Commission to Chairman & Vice – Chairman: The Commission payable to Dr. Lalit S. Kanodia and Mr. Rahul L. Kanodia is upto 1% of the net profits of the Company as computed in accordance with the provisions of the Companies Act, 2013.

(b) Incentives to other Executive Directors: The Nomination and Remuneration Committee evaluates the performance of other Executive Directors. The Committee approved the payment of incentives to other Executive Directors based on their performance aligned with the Company's overall performance.

(c) Commission to Non – Executive Directors: The Members have, at the AGM of the Company held on September 23, 2014 approved the payment of commission upto the limit of 0.25% of its net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

(xii) There are no employees who receive remuneration in excess of the highest paid Director of the Company.

(xiii) Affirmation that the remuneration is as per the remuneration policy of the Company.

Pursuant to Rule 5 (1) (xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

Annexure – B

To the Boards' Report

Tel. : (022) 2208 5764 / 2208 5765
Email : tushar@tusharshri.com
Web. : www.tusharshri.com

10, New Marine Lines
417, Jolly Bhavan No. 1
Mumbai – 400 020

Secretarial Audit Report

For the Financial Year ended on March 31, 2019
[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members - Datamatics Global Services Limited
Knowledge Centre
Plot No. 58, Street No. 17, MIDC
Andheri (East)
Mumbai – 400 093

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Datamatics Global Services Limited ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's 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 March 31, 2019 ("Audit Period") 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 the Company for the Audit Period according to the provisions of:

(i) The Companies Act, 2013 ("the Act") and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 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:

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) 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;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

(a) Secretarial Standards issued by The Institute of Company Secretaries of India;

(b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period; the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable.

During the Audit Period; no law that specifically was applicable to the Company.

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the

Annexure – B *(Contd.)*

To the Boards' Report

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 notes on agenda were sent 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.

During the Audit Period, all decisions at Board Meetings and Committee Meetings were carried out unanimously.

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, following material events have occurred which may have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Board of Directors of the Company in their meeting held on April 27, 2018, approved the Composite Scheme of Arrangement under Section 230-232 of the Companies Act, 2013, between the Company, Delta Infosolutions Private Limited and Datamatics Infotech Services Private Limited, and their respective shareholders;

2. The Board of Directors of the Company in their meeting held on December 14, 2018, approved the Composite Scheme of Arrangement under Section 230-232 of the Companies Act, 2013, between the Company, Lumina Datamatics Limited and LDR ERetail Limited, and their respective shareholders.

Place : Mumbai
Dated : May 09, 2019

Tushar Shridharani
Company Secretary
FCS 2690 / COP 2190

Annexure – C

To the Boards' Report

Corporate Social Responsibility

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

"Corporate Social Responsibility ("CSR") = Making a Difference"

Our social initiatives are an extension of our vision "To be a world-class organization admired for consistently delivering superior business value". In a world of radical socio-technological changes and critical environmental fluctuations, it is now imperative, more than ever, that we work towards addressing these areas of concern and contribute towards building a better tomorrow.

Over the years, the Company has developed a thoughtful approach and attempts to address critical areas of impact to society at large. 'Employability' and 'Holistic Child Care' are the key areas that Datamatics focuses on. Our objective is to have a structured approach, which will positively impact the population at large and drive long-term sustainable development in the society. Our corporate social responsibility (CSR) initiatives are carried out under a corporate body, ASHA, led by our senior leadership.

Much before CSR became a buzzword among Companies in India, Datamatics was already practicing it to make a difference and create a positive impact on the communities, cultures, societies, environment in which it operates.

Datamatics' has prepared CSR policy in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at http://www.datamatics.com/company/corporate-social-responsibility.

2. **The Composition of the CSR Committee:**
The composition of the CSR Committee as on March 31, 2019 is as follows:

Name of the Member	Nature of Directorship
Mr. Rahul L. Kanodia, Chairman	Vice Chairman & CEO
Mr. R. K. Saraswat	Non-Executive Independent Director
Mr. Sameer L. Kanodia	Whole-Time Director

3. **Average net profit of the company for last three financial years:** ₹ 392.59 million

4. **Prescribed CSR Expenditure (2% of this amount as mentioned in Sr. No. 3 above):** ₹ 7.85 million.

5. **Details of CSR spent during the financial year:**

   (a) Total amount spent for the financial year: ₹ 1.21 million.

   (b) Amount unspent: ₹ 6.64 million.

   (c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6		7	8
Sr. No	**CSR project or activity identified**	**Sector in which The Project is covered**	**Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs**		**Cumulative expenditure upto to the reporting period**	**Amount spent : Direct or through implementing agency***
					Direct expenditure	**Overheads**		
1.	Training to Students	Promoting education	Maharashtra	₹ 1.21 million	₹ 1.21 million	--	₹ 1.21 million	Direct
	TOTAL				₹ 1.21 million			

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :-**
Datamatics considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Over the years, the company has continuously worked towards improving quality of life of the Society in its operational areas.

However, the global economic competition has induced the corporates to become cost conscious. During the year under

Annexure – C *(Contd.)*

To the Boards' Report

review, the margins of the Company have been reduced on account of increase in various costs. The Company's growth is dependent on the Company's capability to use the Company's resources in a channelized manner. Therefore, considering the financial condition and goals of the Company, the Board of Directors have thought it prudent to conserve the resources of the Company so that they can be deployed for various future growth initiatives and expansion plans by targeting new customer segments and markets across different geographies.

7. **CSR Committee Responsibility Statement:**
The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

Place : Mumbai
Dated : May 09, 2019

Rahul L. Kanodia
Chairman of CSR Committee

R. K. Saraswat
Member

Annexure – D

To the Boards' Report

FORM NO. MGT - 9

Extract of Annual Return

as on the financial year ended March 31, 2019

[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

1	CIN	L72200MH1987PLC045205
2	Registration Date	November 3, 1987
3	Name of the Company	Datamatics Global Services Limited
4	Category/Sub-Category of the Company	Company having Share Capital /Indian Non-Government Company
5	Address of the Registered office and contact details	Knowledge Centre, Plot No.58, Street No.17, MIDC, Andheri (E), Mumbai 400093. Tel. No.: +91 (22) 6102 0000/1/2
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited) Plot No. A 16 & 17, MIDC, Part B, Cross Lane, Andheri (East), Mumbai – 400 093. Tel: 91-22-6671 2151 Fax: 91-22-6671 2250 Email: depository@datamaticsbpm.com website: www.datamaticsbpm.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:

Sr. No.	Name and Description of main products/services	NIC Code of the Product/service	% to total turnover of the Company
1	IT & ITeS	6209	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2019	Applicable Section
1	**Delta Infosolutions Private Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72300MH1992PTC064911	Holding	53.97	2(46)
2	**Cybercom Datamatics Information Solutions Limited** Unit no 105, First Floor, Multistoried Building, Seepz - Sez Andheri (E), Mumbai 400096.	U72900MH2000PLC123469	Subsidiary	50.50	2(87)
3	**Lumina Datamatics Limited** Unit No. 117-120, SDF - IV, SEEPZ - 5E2, Andheri (E), Mumbai - 400096	U22220MH2007PLC322853	Subsidiary	98.00	2(87)
4	**Datamatics Digital Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72200MH2005PLC309621	Subsidiary	81.10	2(87)
5	**CIGNEX Datamatics Technologies Limited** President Plaza Cross Roads, S.G. Highway, Ahmedabad - 380054.	U72200GJ2006PLC048349	Subsidiary	-	2(87)
6	**LDR eRetail Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai 400 093.	U74120MH2015PLC322053	Subsidiary	-	2(87)
7	**LD Publishing and eRetail Limited** 12th Floor, Phase II, Crest, International Tech Park, Taramani CSIR Road, Chennai - 600113.	U74900TN2015PLC102688	Subsidiary	100.00	2(87)
8	**Attune Infocom Private Limited** G-2, Akruti Complex, Above Stadium Underbridge, Navrangpura, Ahmedabad, Gujarat -380009.	U72200GJ2009PTC058188	Subsidiary	-	2(87)

Annexure – D *(Contd.)*

To the Boards' Report

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2019	Applicable Section
9	**Datamatics Staffing Services Limited** Eucharistic Congress Building No III 5 Convent Street Colaba Mumbai - 400039	U74140MH2003PLC140165	Subsidiary	-	2(87)
10	**Datamatics Robotics Software Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U74999MH2018FLC307700	Subsidiary	-	2(87)
11	**RJ Globus Solutions Private Limited** 103, Balaji Residency, Mamletdarwadi Liberty Garden, Malad West, Mumbai- 400064	U74999MH2018FTC306956	Subsidiary	-	2(87)
12	**Datamatics Global Services, Inc.** Suite 100 & 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	100.00	2(87)
13	**Datamatics Infotech Limited** 1 Doughty Street, London WC1N2PH.	Not Applicable	Subsidiary	100.00	2(87)
14	**Datamatics Global Services Pty Limited** Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverlly, Victoria 3150, Australia.	Not Applicable	Subsidiary	100.00	2(87)
15	**Datamatics Global Technologies Ltd** 3rd Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius.	Not Applicable	Subsidiary	100.00	2(87)
16	**Datamatics Global Technologies AG** MSJG Rechtsanwalte & Notare, Vortstadt 32, 6304, Zug, Switzerland.	Not Applicable	Subsidiary	100.00	2(87)
17	**Datamatics Global Services FZ-LLC** 2917, 3201, 32nd Floor, Al Shatha Tower, Dubai, United Arab Emirates.	Not Applicable	Subsidiary	100.00	2(87)
18	**Techjini Inc** Suite #100, 510 Thornall Street, Edison, NJ – 08837 .	Not Applicable	Subsidiary	-	2(87)
19	**Datamatics Global Technologies GmbH** Gerhart-Hauptmann-Strassee 20, 64347 Griesheim.	Not Applicable	Subsidiary	-	2(87)
20	**Datamatics Global Services Corporation** Unit 1807, Cityland Codominium, 10, Tower, H.V Dela Costa ST. Corner, Ayala Ave, Makati City.	Not Applicable	Subsidiary	-	2(87)
21	**Datamatics Robotics Software Inc** Suite 100 & 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	-	2(87)
22	**RJ Globus, Inc** 1209, Orange Street, City of Wilmington, County of New Castle 19801	Not Applicable	Subsidiary	-	2(87)
23	**RJ Globus Solutions, Inc** 3rd Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Philippines.	Not Applicable	Subsidiary	-	2(87)
24	**Lumina Datamatics GmbH** Im Leuschnerpark 4, 64347 Griesheim.	Not Applicable	Subsidiary	-	2(87)
25	**Lumina Datamatics, Inc.** 4 Collins Avenue, Plymouth, MA 02360, USA.	Not Applicable	Subsidiary	-	2(87)
26	**Lumina Datamatics Assessment & Analytics, LLC** 4 Collins Avenue, Plymouth, MA 02360, USA.	Not Applicable	Subsidiary	-	2(87)
27	**CIGNEX Datamatics Corporation** Portcullis Chambers, 4th Floor, Ellen Skelton Building, 3076 Sir Francis Drake Highway, Road Town, Tortola, British Virgin Islands, VG1110.	Not Applicable	Subsidiary	-	2(87)

Annexure – D *(Contd.)*

To the Boards' Report

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2019	Applicable Section
28	**CIGNEX Datamatics, Inc.** 31572 Industrial RD, Suite 400, Livonia MI 48150.	Not Applicable	Subsidiary	-	2(87)
29	**CIGNEX Datamatics GmbH** Fuhrmannstrasse 8, 64289 Darmstadt, Germany.	Not Applicable	Subsidiary	-	2(87)
30	**CIGNEX Datamatics Pte. Limited** 08-03, SGX Centre 2, 4 Shenton Way, Singapore 068807.	Not Applicable	Subsidiary	-	2(87)
31	**Cignex Datamatics UK Limited** 153 Milton Keynes Business Centre Foxhunter Drive Linford Wood Milton Keynes Buckinghamshire MK14 6GD.	Not Applicable	Subsidiary	-	2(87)
32	**Duo Consulting Inc** 641 West Lake Street, Suite 301, Chicago IL 60601.	Not Applicable	Subsidiary	-	2(87)

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
1) Indian									
a) Individual/HUF	11,237,572	0	11,237,572	19.06	11,484,689	0	11,484,689	19.48	0.42
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	31,813,742	0	31,813,742	53.97	31,813,742	0	31,813,742	53.97	-0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub–total (A)(1)	**43,051,314**	**0**	**43,051,314**	**73.03**	**43,298,431**	**0**	**43,298,431**	**73.45**	**0.42**
2) Foreign									
a) NRIs- Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
F) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub –Total (A)(2)	**0**	**0**	**0**	**0.00**	0	0	0	0.00	0.00
Total Promoter Share-holding (A) = (A)(1)+(A)(2)	**43,051,314**	**0**	**43,051,314**	**73.03**	**43,298,431**	**0**	**43,298,431**	**73.45**	0.42
B. Public Shareholding									
1. Institutions									
(i) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Banks / FI	94,115	0	94,115	0.16	79,622	0	79,622	0.14	-0.02
(iii) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(iv) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(v) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(vi) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(vii) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
(viii) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

Annexure – D *(Contd.)*

To the Boards' Report

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ix) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(x) Others-Foreign Portfolio Investor	307,165	0	307,165	0.52	142,100	0	142,100	0.24	-0.28
Sub-total (B)(1)	**401,280**	**0**	**401,280**	**0.68**	**221,722**	**0**	**221,722**	**0.38**	**-0.30**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,074,881	500	2,075,381	3.52	2,101,682	500	2,102,182	3.57	0.05
ii) Overseas	0	247,000	247,000	0.42	-		0	0.00	-0.42
b) Individuals	0	0	0	0.00	-	0	0	0.00	0.00
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,577,546	112,873	7,690,419	13.05	7,715,131	92357	7,807,488	13.24	0.19
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,960,599		4,960,599	8.42	4,828,595	0	4,828,595	8.19	-0.22
c) Others, specify									
NRIs (Rep. & Non-Rep.)	468,968	200	468,968	0.80	626,640	0	626,640	1.06	0.27
IEPF	38,626	0	38,626	0.07	46,279	0	46,279	0.08	0.02
Foreign National	15,550	0	15,550	0.03	18,000	0	18,000	0.03	0.00
Sub-total (B)(2)	**15,136,170**	**360,573**	**15,496,543**	**26.29**	**15,336,327**	**92,857**	**15,429,184**	**26.17**	**-0.11**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**15,537,450**	**360,573**	**15,897,823**	**26.97**	**15,558,049**	**92,857**	**15,650,906**	**26.55**	**-0.42**
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	**58,588,764**	**360,573**	**58,949,137**	**100.00**	**58,856,480**	**92,857**	**58,949,337**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2018)			Shareholding at the end of the year (As on March 31, 2019)			% 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	Delta Infosolutions Pvt. Ltd.	31,813,742	53.97	0.00	31,813,742	53.97	0.00	0.00
2	Dr. Lalit S. Kanodia	3,230,995	5.48	0.00	3,477,995	5.90	0.00	0.42
3	Mrs. Asha L. Kanodia	3,305,258	5.61	0.00	3,305,258	5.61	0.00	0.00
4	Mr. Rahul L. Kanodia	209	0.00	0.00	209	0.00	0.00	0.00
5	Mr. Sameer L. Kanodia	1,472,858	2.50	0.00	1,472,858	2.50	0.00	0.00
6	Mrs. Priyadarshini R. Kanodia	1,473,735	2.50	0.00	1,473,852	2.50	0.00	0.00
7	Mrs. Aneesha A. Dalmia	1,352,874	2.29	0.00	1,352,874	2.29	0.00	0.00
8	Mrs. Amrita V. Bhogilal	319,143	0.54	0.00	319,143	0.54	0.00	0.00
9	Mr. Yogendra S. Kanodia	6,500	0.01	0.00	6,500	0.01	0.00	0.00
10	Yogendra Kanodia HUF	1,700	0.00	0.00	1,700	0.00	0.00	0.00
11	Smt. Chandravati S. Kanodia	36	0.00	0.00	36	0.00	0.00	0.00
12	Dr. Lalit S. Kanodia HUF -2	74,264	0.13	0.00	74,264	0.13	0.00	0.00
	Total	**43,051,314**	**73.03**	**0.00**	**43,298,431**	**73.45**	**0.00**	**0.42**

Annexure – D *(Contd.)*

To the Boards' Report

iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoters	Date	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (As on March 31, 2019)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Delta Infosolutions Pvt. Ltd.**					
	At the beginning of the year	1-Apr-18	31,813,742	53.97	31,813,742	53.97
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			31,813,742	53.97
2	**Dr. Lalit S. Kanodia**					
	At the beginning of the year	1-Apr-18	3,230,995	5.48	3,230,995	5.48
	Increase/decrease in Shareholding	17-Oct-18	247000	0.42	3,477,995	0.42
	At the end of the year	31-Mar-19			3,477,995	5.90
3	**Mrs. Asha L. Kanodia**					
	At the beginning of the year	1-Apr-18	3,305,258	5.61	3,305,258	5.61
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			3,305,258	5.61
4	**Mr. Rahul L. Kanodia**					
	At the beginning of the year	1-Apr-18	209	0.00	209	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			209	0.00
5	**Mr. Sameer L. Kanodia**					
	At the beginning of the year	1-Apr-18	1,472,858	2.50	1,472,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			1,472,858	2.50
6	**Mrs. Priyadarshini R. Kanodia**					
	At the beginning of the year	1-Apr-18	1,473,735	2.50	1,473,735	2.50
	Increase/decrease in Shareholding	15-Feb-19	27	0.00	1,473,762	0.00
	Increase/decrease in Shareholding	29-Mar-19	90	0.00	1,473,852	0.00
	At the end of the year	31-Mar-19			1,473,852	2.50
7	**Mrs. Aneesha A. Dalmia**					
	At the beginning of the year	1-Apr-18	1,352,874	2.29	1,352,874	2.29
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			1,352,874	2.29
8	**Mrs. Amrita V. Bhogilal**					
	At the beginning of the year	1-Apr-18	319,143	0.54	319,143	0.54
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			319,143	0.54
9	**Mr. Yogendra S. Kanodia**					
	At the beginning of the year	1-Apr-18	6,500	0.01	6,500	0.01
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			6,500	0.01
10	**Yogendra Kanodia HUF**					
	At the beginning of the year	1-Apr-18	1,700	0.00	1,700	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			1,700	0.00
11	**Smt. Chandravati S. Kanodia**					
	At the beginning of the year	1-Apr-18	36	0.00	36	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			36	0.00
12	**Dr. Lalit S. Kanodia HUF - 2**					
	At the beginning of the year	1-Apr-18	74,264	0.13	74,264	0.13
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			74,264	0.13

iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Promoters	Date	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 01, 2018 to March 31, 2019)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Mr. Shaunak Jagdish Shah**					
	At the beginning of the year	1-Apr-18	999,149	1.69	999,149	1.69
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			999,149	1.69

Annexure – D *(Contd.)*

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Sr. No.	Name of Promoters	Date	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 01, 2018 to March 31, 2019)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
2	**Ms. Jagdish Amritlal Shah**					
	At the beginning of the year	1-Apr-18	748,395	1.27	748,395	1.27
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			748,395	1.27
3	**Jamson Securities Pvt Ltd**					
	At the beginning of the year	1-Apr-18	580,660	0.99	580,660	0.99
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			580,660	0.99
4	**Mr. Chetan Jayantilal Shah**					
	At the beginning of the year	1-Apr-18	-	-	-	
	Increase/Decrease in Shareholding	19-Oct-18	25,937	0.04	25,937	0.04
	Increase/Decrease in Shareholding	2-Nov-18	524,063	0.89	550,000	0.93
	At the END of the Year	31-Mar-19			550,000	0.93
5	**Ms. Jagruti Shaunak Shah**					
	At the beginning of the year	1-Apr-18	488,098	0.83	488,098	0.83
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			488,098	0.83
6	**Sharekhan BNP Paribas Financial Services Limited**					
	At the beginning of the year	1-Apr-18	1,027,000	0.17	102,700	0.17
	Increase/Decrease in Shareholding	13-Apr-18	(500)	(0.00)	102,200	0.17
	Increase/Decrease in Shareholding	11-May-18	170,000	0.29	272,200	0.46
	Increase/Decrease in Shareholding	1-Jun-18	125	-	272,325	0.46
	Increase/Decrease in Shareholding	20-Jul-18	54,000	0.09	326,325	0.55
	Increase/Decrease in Shareholding	24-Aug-18	(500)	(0.00)	325,825	0.55
	Increase/Decrease in Shareholding	31-Aug-18	(409)	(0.00)	325,416	0.55
	Increase/Decrease in Shareholding	12-Oct-18	1,150	0.00	326,566	0.55
	Increase/Decrease in Shareholding	7-Dec-18	(400)	(0.00)	326,166	0.55
	At the end of the year	31-Mar-19			326,166	0.55
7	**Mr. B N Nagamani**					
	At the beginning of the Year	1-Apr-18	200,000	0.34	200,000	0.34
	Increase		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			200,000	0.34
8	**Mr. Nagendra G. Uddagiri**					
	At the beginning of the Year	1-Apr-18	151,000	0.26	151,000	0.26
	Increase/Decrease in Shareholding	13-Apr-18	(2,015)	(0.00)	148,985	0.25
	Increase/Decrease in Shareholding	20-Apr-18	2,015	0.00	151,000	0.26
	Increase/Decrease in Shareholding	18-May-18	(2,228)	(0.00)	148,772	0.25
	Increase/Decrease in Shareholding	25-May-18	(2,481)	(0.00)	146,291	0.25
	Increase/Decrease in Shareholding	1-Jun-18	(3,656)	(0.01)	142,635	0.24
	Increase/Decrease in Shareholding	8-Jun-18	(11,919)	(0.02)	130,716	0.22
	Increase/Decrease in Shareholding	15-Jun-18	(2,617)	(0.00)	128,099	0.22
	Increase/Decrease in Shareholding	22-Jun-18	(4,155)	(0.01)	123,944	0.21
	Increase/Decrease in Shareholding	29-Jun-18	(11,123)	(0.02)	112,821	0.19
	Increase/Decrease in Shareholding	6-Jul-18	(971)	(0.00)	111,850	0.19
	Increase/Decrease in Shareholding	17-Aug-18	(2,000)	(0.00)	109,850	0.19
	Increase/Decrease in Shareholding	24-Aug-18	(2,687)	(0.01)	107,163	0.18
	Increase/Decrease in Shareholding	31-Aug-18	(14,000)	(0.02)	93,163	0.16
	Increase/Decrease in Shareholding	5-Oct-18	(12,000)	(0.02)	81,163	0.14
	Increase/Decrease in Shareholding	12-Oct-18	65,719	0.11	146,882	0.25
	Increase/Decrease in Shareholding	19-Oct-18	4,118	0.01	151,000	0.26
	Increase/Decrease in Shareholding	26-Oct-18	2,155	0.00	153,155	0.26
	Increase/Decrease in Shareholding	2-Nov-18	845	0.00	154,000	0.26
	Increase/Decrease in Shareholding	14-Dec-18	1,500	0.00	155,500	0.26
	Increase/Decrease in Shareholding	4-Jan-19	(500)	(0.00)	155,000	0.26
	Increase/Decrease in Shareholding	25-Jan-19	480	0.00	155,480	0.26
	Increase/Decrease in Shareholding	15-Mar-19	520	0.00	156,000	0.27
	Increase/Decrease in Shareholding	22-Mar-19	700	0.00	156,700	0.27
	At the end of the year	31-Mar-19	-	-	156,700	0.27

Annexure – D *(Contd.)*

To the Boards' Report

Sr. No.	Name of Promoters	Date	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 01, 2018 to March 31, 2019)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	**Mr. Bhadra Jaytilal Shah**					
	At the beginning of the Year	1-Apr-18	500,000	0.85	500,000	0.85
	Increase/Decrease in Shareholding	2-Nov-18	(500,000)	(0.85)	0	0.00
	Increase/Decrease in Shareholding	4-Jan-19	50,000	0.09	50,000	0.09
	Increase/Decrease in Shareholding	18-Jan-19	50,000	0.09	100,000	0.17
	Increase/Decrease in Shareholding	1-Feb-19	46,123	0.08	146,123	0.25
	Increase/Decrease in Shareholding	15-Mar-19	3,877	0.01	150,000	0.25
	At the end of the year	31-Mar-19	-	-	150,000	0.25
10	**Mr. Arun Nahar**					
	At the beginning of the Year	1-Apr-18	150,400	0.26	150,400	0.26
	Increase/Decrease in Shareholding	20-Apr-2018	89,943	0.15	240,343	0.41
	Increase/Decrease in Shareholding	7-Sep-18	(110,000)	(0.19)	130,343	0.22
	At the end of the year	31-Mar-19	-	-	130,343	0.22

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Date	Shareholding at the beginning of the year (As on April 1, 2018)		Cumulative Shareholding during the year (April 01, 2018 to March 31, 2019)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Dr. Lalit S. Kanodia**					
	At the beginning of the year	1-Apr-18	3,230,995	5.48	3,230,995	5.48
	Increase/decrease in Shareholding	17-Oct-18	247,000	0.42	3,477,995	5.90
	At the end of the year	31-Mar-19			3,477,995	5.90
2	**Mr. Rahul L. Kanodia**					
	At the beginning of the year	1-Apr-18	209	0.00	209	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			209	0.00
3	**Mr. Sameer L. Kanodia**					
	At the beginning of the year	1-Apr-18	1,472,858	2.50	1,472,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			1,472,858	2.50
4	**Mrs. Asha L. Kanodia**					
	At the beginning of the year	1-Apr-18	3,305,258	5.61	3,305,258	5.61
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			3,305,258	5.61
5	**Mr. R. K. Saraswat**					
	At the beginning of the year	1-Apr-18	1,000	0.00	1,000	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			1,000	0.00
6	**Mr. Shahzaad S. Dalal**					
	At the beginning of the year	1-Apr-18	2,000	0.00	2,000	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			2,000	0.00
7	**Mr. Dilip D. Dandekar**					
	At the beginning of the year	1-Apr-18	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			0	0.00
8	**Mr. Vinay M. Aggarwal**					
	At the beginning of the year	1-Apr-18	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			0	0.00
9	**Ms. Divya Kumat**					
	At the beginning of the year	1-Apr-18	200	0.00	200	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			200	0.00
10	**Mr. Sandeep Mantri**					
	At the beginning of the year	1-Apr-18	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-19			0	0.00

Annexure – D *(Contd.)*

To the Boards' Report

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

(₹ in million)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. As on April 1, 2018				
i) Principal Amount	463.40	-	-	463.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.53	-	-	0.53
Total (i+ii+iii)	**463.93**	**-**		**463.93**
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction (Repayment)	201.43	-	-	201.43
Net Change (ii)	**201.43**	**-**	**-**	**201.43**
Indebtedness at the end of the financial year i.e. March 31, 2019				
i) Principal Amount	262.50	-	-	262.50
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**262.50**	**-**	**-**	**262.50**

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole time Directors and/or Manager:

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of MD/WTDs/Manager			Total Amount
		Dr. Lalit S. Kanodia, Chairman & Whole Time Director	Mr. Rahul L. Kanodia, Vice Chairman & CEO	Mr. Sameer L. Kanodia, Whole-Time Director	
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	6.11	8.95	2.76	17.82
b)	Value of perquisites under section 17(2) Income-tax Act, 1961	0.04	0.04	0.04	0.12
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission	-	-	-	-
	As % of profit	4.99	4.99	-	9.98
5	Others, specify	-	-	-	-
	Total (A)	**11.14**	**13.98**	**2.80**	**27.92**
	Ceiling as per the Act (10% of Profits calculated under Section 198 of the Companies Act, 2013)		**37.99**		

B. Remuneration to other directors:

(₹ in million)

Sr. No.	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Total Amount
1	**Independent Directors**			
	Mr. R. K. Saraswat	0.24	0.21	0.45
	Mr. Dilip Dandekar	0.16	0.18	0.34
	Mr. Vinay Aggarwal	0.24	0.21	0.45
	Mr. Shahzaad Dalal	0.15	0.14	0.29
	Total (1)	**0.79**	**0.74**	**1.53**
2	**Other Non-Executive Directors**			
	Mrs. Asha L. Kanodia	0.19	0.21	0.40
	Total (2)	**0.19**	**0.21**	**0.40**
	Total Managerial Remuneration (1) + (2)	**0.98**	**0.95**	**1.93**
	Ceiling as per the Act (1% of Profits calculated under Section 198 of the Companies Act, 2013)		**3.80**	

Annexure – D *(Contd.)*

To the Boards' Report

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

(₹ in million)

Sr. No.	Particulars of Remuneration	Ms. Divya Kumat, Company Secretary (KMP)	Mr. Sandeep Mantri Chief Financial Officer (KMP)	Total
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	8.49	6.69	15.18
	b) Value of perquisites under section 17(2) Income-tax Act, 1961.	0.03	0.03	0.06
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit			
5	Others - Contribution to Provident Fund, Allowance etc.	-	-	-
	Total	**8.52**	**6.72**	**15.24**

VII. Penalties/Punishment/Compounding of Offences

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (Give details)
A. Company					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2019.				
Punishment					
Compounding					
B. Directors					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2019.				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2019.				
Punishment					
Compounding					

Management Discussion and Analysis Report

Introduction

Digital technologies, a super-set of Social, Mobility, Analytics, and Cloud (SMAC), along with Robotics and Artificial Intelligence, are at the forefront of the current wave of disruption. Businesses which are reinventing themselves with digital technologies are seeing a lot of opportunities. Datamatics is well positioned to implement those transformative technologies for its customers. The Company with its experience and expertise has carved a niche for itself by offering intelligent solutions, enabling enterprises to further evolve by improving productivity and enhancing customer satisfaction.

A. Economic Environment

The global economy is likely to grow at 3.5% to USD 88.08 trillion in 2019, as per the World Economic Outlook (WEO). Economic activity at the global level is expected to expand at a pace of 3.6 % in 2020.

Moves by the United States to increase import tariffs have sparked retaliations and counter-retaliations. However stimulus measures and direct subsidies have so far offset much of the direct negative impacts on the United States with the economy estimated to grow at 2.5% to USD 20 trillion in 2019.

Though Eurozone is facing marked down growth rates in some countries as well as facing challenges due to uncertainties over Brexit outcome; overall the Eurozone economy is set to grow at moderate pace of 1.6% in 2019.

India's economy is poised to pick up in 2019; benefiting from stable government elected with strong mandate, lower oil prices and an accommodative monetary policy, as inflation remains benign. The economy is slated to grow by 7.5% to USD 2.9 trillion in 2019.

Though the global outlook is cautious, overall there is positive growth environment across world with advanced economies growing at 2% and emerging markets growing at 4.5% in 2019.[1]

Industry Review

IT Solutions

- Worldwide IT spending is projected at USD 3.76 Trillion in 2019. According to Nasscom, IT services will grow at 4.8% while growth in software spending is estimated at 8%
- Spending is moving from saturated segments such as mobile phones, personal computers, and on-premise data center infrastructure to cloud services and Internet of Things (IoT).
- Legacy services such as application management and testing will continue to grow at a steady pace.

Business Process Management (BPM)

- The global BPM market expected to grow at 4.5% to USD 205 Billion in 2019 on the back of high SaaS adoption, Artificial Intelligence (AI) and RPA.[2]
- The US remains the biggest market for BPM.
- Opportunities prevail in process automation and dynamic content management areas.

Robotic Process Automation (RPA)

- Global spending on RPA software is expected to increase by 57% to USD 1.067 Billion in 2019 .[3]
- By the end of 2022, 85% of large and very large organizations are likely to deploy some form of RPA.

Automated Fare Collection (AFC)

- AFC worldwide market is expected to reach ~ USD 12 Billion by 2024 at CAGR of 11.1% from 2017.
- India is witnessing rapid growth in metro rail network. More than 664 kilometers of metro rail projects in 15 cities are at various stages of implementation, offering immense potential for automated fare collection solutions in India.

B. Business Review

Datamatics is a technology company that builds intelligent solutions for data-driven enterprises to improve their productivity and customer experience. The Company's portfolio spans Information Technology Solutions, Business Process Management and Engineering Services, powered by Artificial Intelligence. Datamatics has established products in Robotics Process Automation, Advanced Analytics, Business Intelligence and Automated Fare Collection.

Datamatics added 58 significant customers in FY18-19. The Company services over 550 customers globally across Banking and Financial Services, Insurance, Healthcare, Manufacturing, International Organizations and Media and Publishing. Headquartered in Mumbai, Datamatics has presence across four continents with major delivery centers in the USA, India and the Philippines with an employee base of more than 10,000.

Highlights 2018-19

During the year, Datamatics received several awards and recognitions:

Key Analyst Recognition

- Datamatics TruBot recognized by Gartner in 'How C&SI and Managed Service Providers Must Approach Their Product Strategy 2019' as 'successful services companies developing products'
- Datamatics TruCap+ featured in Everest's 'Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2019' as a 'MAJOR CONTENDER'
- Datamatics TruBot featured in Everest Group's 'Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2018'

1. Source: World Economic Outlook Update, January 2019; NASSCOM – Industry Performance 2018-19 and what lies ahead
2. Source: Nasscom
3. Source: Gartner

- Datamatics featured in IDC's 'RPA Vendor Assessment 2018, APAC'
- Datamatics featured in Forrester's Now Tech: RPA Services, Q4 2018
- Datamatics featured in Everest Group's first 'Finance and Accounting Digital Augmentation Suite (F&A DAS) – Service Provider Landscape with Solutions PEAK Matrix™ Assessment 2018'
- Datamatics featured in 'Banking BPO Digital Capability Platform (DCP) – Service Provider Landscape with Solutions PEAK Matrix™ Assessment 2019'
- Datamatics featured in 'Finance and Accounting Outsourcing (FAO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019' as 'STAR PERFORMER'.

Key Awards

IBM awarded Datamatics '2019 IBM Asia Pacific Excellence Award' for TOP TRANSFORMATION BUSINESS PARTNER

International Association of Outsourcing Professionals (IAOP) featured Datamatics in 'The best of global outsourcing 100' list

Indian Merchant Chamber (IMC) awarded Datamatics Digital Technology Award 2018 for TruBot, and TruAI in the 'Excellence in Emerging Technology' category

Computer Society of India (CSI) recognized Datamatics as the 'Best Cognitive Technology Provider of the Year 2018'

Awarded 'CIO Choice 2019' award in 'Emerging Technologies Vendor' category for TruBot

Datamatics won Rail Analysis India Award 2019 for TruFare, its Automated Fare Collection (AFC) product

C. Business Drivers

Products and Platforms

Datamatics invests to develop and update its own IP solutions in digital technology space.

Datamatics is getting good traction in its diverse products and platforms such as TruBot for Robotic Process Automation, TruCap+ for intelligent data capture, iPM for end-to-end workflow management, TruBI for business intelligence and data visualization and TruFare for automated fare collection.

Apart from this Lumina Datamatics has its own IP solutions such as CAPS - Journal Content Authoring and Publishing System, MARS - Manuscript Assessment and Reporting System.

Automated Fare Collection (AFC)

Automated Fare Collection (AFC) has been a key focus area for Datamatics and is the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. This year Datamatics won AFC contract for Mumbai Metro Line 2A, 2B and 7. The Company sees significant opportunities in this segment for emerging economies. Opportunity in India alone is slated to grow at a CAGR of 18% for the period 2018-24.

Partner and reseller channels

To increase sales momentum and ensure smooth implementation and support for IP products globally, Datamatics is aggressively expanding its partner network on the back of improvised product strategy. It has total partner strength of 54 across the globe.

Account Penetration

Datamatics has a diverse portfolio of customers across industries, including Fortune 500 companies. To achieve deeper customer penetration, Datamatics cross-sells and up-sells within customer accounts through its range of integrated sales and marketing initiatives.

Brand and Marketing

Datamatics positions itself as leading provider of intelligent solutions for data-driven businesses. Datamatics invests in marketing and branding efforts and participates in premium business and industry events around the world to increase visibility and enhance geographic reach.

Digital Solutions – RPA, Mobility, Cloud, Analytics

Datamatics is well positioned to implement digital technologies such as Robotic Process Automation, Mobility, Analytics, Cloud and Artificial Intelligence to its customers. Datamatics offers intelligent digital enablers to its valued clients to improve their operational efficiency, productivity and boost customer satisfaction.

D. Business Performance

Datamatics consolidated revenue was at ₹11,335 Million, up 24.5% vis-a-vis FY 2017-18 and Profit After Tax grew 18.1%. Of the total revenue, IT solutions comprising application management services, digital solutions and Automated Fare Collection constituted 57.3% while Business Process Management constituted 42.7%. The revenues from IT solutions grew by 30.9% and Business Process Management grew by 16.8% year-on-year.

E. Financial Performance

I. Financial Condition

Sources of Funds

The below mentioned financial condition gives an overview of the consolidated financial strength of the Group.

a. Share Capital

The Group's authorized capital is divided into two class of shares, 104 Million equity share of ₹ 5 each and ₹ 45.55 Million redeemable preference shares of ₹ 10 each.

The paid-up capital of the Group remains same as on March 31, 2019 vis-à-vis that of previous year, i.e. ₹ 294.75 Million divided into 58,949,337 equity shares of ₹ 5 each fully paid up.

b. Other Equity

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Securities Premium	1,080.08	1,080.08
Retained Earnings	3,992.59	3,290.81
Capital Redemption Reserve	494.28	494.28
Capital Reserve	(62.07)	(62.07)
General Reserve	585.88	585.88
Employee Stock Option Outstanding	21.43	11.91
Cash Flow Hedging Reserve	82.68	50.14
Foreign Currency Translation Reserve	(71.42)	(267.92)
FVOCI –Equity Instruments	4.27	2.63
Actuarial Gains & Losses OCI	(22.91)	(16.69)
Total	**6,104.81**	**5,169.05**

Reserves and surplus increased by ₹ 935.76 Million mainly on account of profit for the year of ₹ 745.07 Million, along with increase in hedging reserve by ₹ 32.54 Million due to change in fair value of outstanding forward contracts and foreign currency transaction reserve by ₹ 196.50 Million.

Total Equity

The total equity increased to ₹ 6,793.23 Million as on March 31, 2019 from ₹ 5,827.44 Million on March 31, 2018, an increase of ₹ 965.79 Million.

The book value per share increased to ₹ 115.24 as on March 31, 2019 compared to ₹ 98.86 on March 31, 2018.

Application of Funds

c. Property, Plant and equipment, Intangible assets and capital WIP

Addition to Gross Block

(₹ in Million)

Particulars	March 31, 2019
Leasehold improvements	89.30
Machinery and equipment	92.91
Computers	34.28
Furniture and fixure	38.21
Vehicles	7.77
Software	71.74
Goodwill	249.32
Other Assets	4.75
Total	**588.27**

Capital commitments

The Group has capital commitment of ₹ 5.93 Million as on March 31, 2019 as compared to Nil on March 31, 2018.

d. Deferred tax assets / liabilities

(₹ in Million)

Particulars	March 31, 2019	March 31, 2018
Deferred tax assets, net	24.91	139.94

Deferred tax liabilities primarily comprise deferred taxes on property plant and equipment, employee benefits and provision for doubtful debts, advances and investments.

e. Trade Receivables

The trade receivables amounted to ₹ 2,461.37 Million (net of provision for doubtful debts amounting to ₹ 276.00 Million) as on March 31, 2019, compared to ₹ 2,047.88 Million (net of provision for doubtful debts amounting to ₹ 272.97 Million) on March 31, 2018. These debts are considered good and realizable. Debtors represented Days Sales Outstanding of 79 days, compared to 82 days in the previous year.

f. Current and non-current Investments

Current Investment represents surplus funds of the Group parked with mutual fund schemes that can be recalled at very short notice. Non-current investments represent investments in bonds and equity shares.

Current investment increased to ₹ 454.50 Million as on March 31, 2019 from ₹ 212.99 Million on March 31, 2018. Non-current investments decreased to ₹ 113.91 Million as on March 31, 2019 from ₹ 115.34 Million on March 31, 2018.

g. Cash and cash equivalents

The bank balances include both rupee accounts and foreign currency accounts. The bank balances in overseas accounts are maintained to meet expenditure of overseas operations.

Cash and bank balance in current account stands at ₹ 696.18 Million as on March 31, 2019 as compared to ₹ 817.84 Million on March 31, 2018. Net cash from operations in FY 2018-19 is ₹ 896.07 Million vis-a-vis ₹ 527.63 Million in FY 2017-18. Net cash used in investing activities in FY 2018-19 is ₹ 647.76 Million vis-a-vis ₹ 348.07 Million in FY 2017-18. Net cash used in financing activities in FY 2018-19 is ₹ 369.97 Million vis-a-vis ₹ 38.35 Million in FY 2017-18.

h. Loans and advances, other assets

The details of long-term and short-term loans and advances and other assets are as follows:

In ₹ Million

	Current		Non-current	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Loan to employees	3.65	15.97	0.29	3.69
Security deposits	8.01	0.17	103.18	93.85
Fair value of outstanding forward contracts	67.42	-	53.76	41.06
Fair value of outstanding corporate guarantee	-	-	8.92	-
Capital advances	-	-	5.93	-
Prepaid ex penses	139.23	119.69	0.78	2.83
Balance with government authorities	92.70	56.74	0.05	8.02
Other assets	-	-	0.39	0.61
Advance to employees	32.02	26.06	-	-
Interest accrued	0.06	0.22	-	-
Advances to related parties and vendors	32.22	55.91	-	-
Unbilled revenue	614.71	577.57	-	-
Total	**990.02**	**852.33**	**173.30**	**150.06**

Non-current loans and advances and other non-current assets increased to ₹ 173.30 Million as on March 31, 2019 compared to ₹ 150.06 Million on March 31, 2018. Increase is on account of security deposits worth ₹ 9.33 Million, Fair value of outstanding forward contracts of ₹ 12.70 Million, Fair value of outstanding corporate guarantee of ₹ 8.92 Million and Capital advances of ₹ 5.93 Million, offset by decrease in prepaid expenses by ₹ 2.05 Million, balance with government authorities of ₹ 7.97 Million and loan to employees by ₹ 3.4 Million.

Current loans and advances and other current assets were ₹ 990.02 Million as on March 31, 2019 compared to ₹ 852.33 Million on March 31, 2018. Current loans and advances include loan to employees. Other current assets include increase in Security deposits worth ₹ 7.84 Million, increase in unbilled revenue for ₹ 37.14 Million, Balance with government authorities ₹ 35.96 Million, Fair value of Outstanding Forward Contracts for ₹ 67.42 Million maturing within one year and interest accrued on investment and deposits.

i. Current and Non-current provisions

in ₹ Million

	March 31, 2019	March 31, 2018
Provision for employee benefits – Gratuity	171.42	126.05
Provision for employee benefits – Leave encashment	93.86	85.96
Total	**265.28**	**212.01**

Employee benefits provision increased to ₹ 265.28 Million as on March 31, 2019 compared to ₹ 212.01 Million on March 31, 2018.

The Board of Directors, in their meeting held on May 09, 2019 proposed a Final Dividend of ₹ 1.00 per equity share. The proposal is subject to approval of shareholders at the Annual General Meeting.

j. Other Current and non-current Liabilities and Trade payables

in ₹ Million

	March 31, 2019	March 31, 2018
Trade payable	742.27	697.74
Current borrowings	358.79	657.95
Unearned revenue	157.21	79.96
Advance received from customer	21.82	-
Unpaid dividend	1.75	1.87
Statutory dues	142.44	111.21
Creditor for capital expenditure	0.55	0.55
Fair Value of outstanding forward contracts	-	1.80
Fair Value of outstanding corporate guarantee	8.92	-
Fair Value of contingent consideration	96.13	-
Other payable	24.07	18.04
Total	**1,553.95**	**1,569.12**

Advances received from customers represent money received for the delivery of future services. Unearned revenue primarily comprises advance client billings on fixed-price and fixed-timeframe contracts for which related costs and earnings were not yet incurred. Unpaid dividends represent dividends paid, but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

II. Operations Results

The following table provides an overview of the consolidated financial results of the Company.

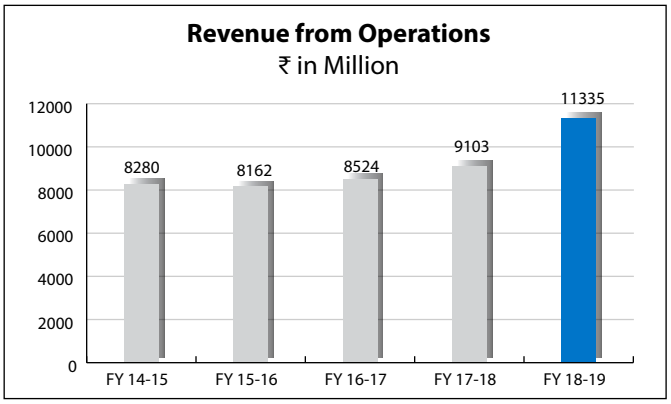
in ₹ Million

	March 31, 2019	March 31, 2018
Revenue from Operations	11,334.90	9,102.69
Other Income	108.12	244.32
Total Revenue	**11,443.02**	**9,347.01**
Operating Expenses	9,996.43	8,282.38
EBITDA	**1,446.59**	**1,064.63**
Finance Cost	47.71	40.30
Depreciation and Amortization	260.35	203.30
Earnings before Interest & Tax	**1,138.53**	**821.03**
Share of Net profits of Joint Venture	8.98	22.86
Earnings before Tax	**1,147.51**	**843.89**
Taxes	302.76	128.86
Profit after Tax	**844.75**	**715.03**

a. Income:

Revenue from Operations

Revenue from operations increased by 24.5% to ₹ 11,334.90 Million in FY 2018-19 compared to ₹ 9,102.69 Million in FY 2017-18.



Analysis of revenue growth (Constant currency growth)

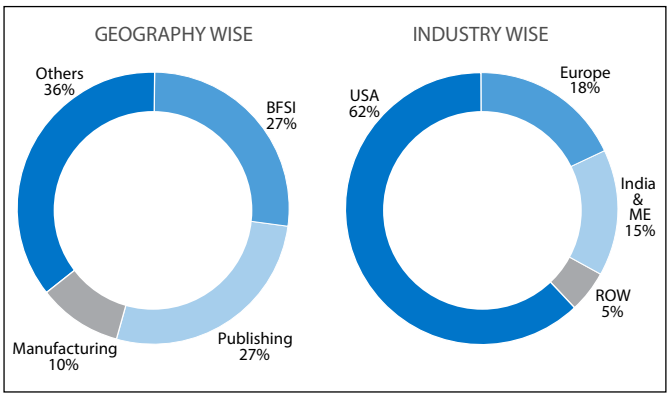
Growth attributable to	FY 2019	FY 2018
Business growth	17.9%	9.6%
Impact of exchange rate	6.6%	(2.8)%
Total growth	**24.5%**	**6.8%**

Movements in currency exchange rates through the year resulted in an impact of 6.6% on the reported revenue. The constant currency revenue growth for the year was 17.9%.

Average currency rates during FY 2018-19 compared to those in FY 2017-18 are given below:

Currency	Weightage (%)	FY 2019	FY 2018	% Change y-o-y
USD	62.1	69.74	64.46	8.2
GBP	13.6	91.56	85.73	6.8
EUR	4.6	80.81	75.53	7.0
AUD	0.8	50.84	49.91	1.9
CHF	0.9	70.58	66.51	6.1
AED	0.6	18.98	17.55	8.2
PHP	2.6	1.32	-	-

Segmental performance



Other Income

in ₹ Million

	March 31, 2019	March 31, 2018
Interest Income	2.30	8.41
Dividend Income	5.14	0.50
Realized and Unrealized Gain on Investments	1.43	32.50
Foreign Exchange Gain	23.45	148.10
Guarantee Fees Received	1.00	1.00
Profit on Sale of Investment	18.27	36.25
Profit on Sale of Assets	-	0.94
Provision Written Back	1.62	-
Miscellaneous Income	54.91	16.62
Total	**108.12**	**244.32**

Other income decreased to ₹ 108.12 Million in FY 2018-19 from ₹ 244.32 Million in FY 2017-18. The decrease is primarily on account of gain from exchange fluctuations by ₹ 124.65 Million, Realized and Unrealized Gain on Investments by ₹ 31.07 Million, Profit on Sale of Investment by ₹ 17.98 Million and interest income ₹ 6.11 Million. Decrease is offset by increase in Dividend income by ₹ 4.64 Million and Miscellaneous Income by ₹ 39.91 Million.

b. Expenditure

Operating expenses comprise purchase of IT products and licenses, employee benefits expense and other expenses. The total operating expenses stood at ₹ 9,996.43 Million in FY 2018-19 compared to ₹ 8,282.38 Million in FY 2017-18. Operating expenses as a percentage to revenue has decreased from 91.0% of revenue in FY 2017-18 to 88.2% of revenue in FY 2018-19.

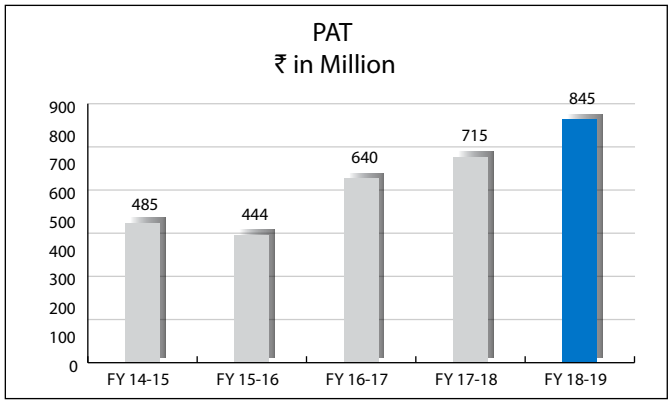
Employee benefits expense increased by ₹ 1,222.47 Million to ₹ 6,891.32 Million in FY 2018-19. Employee benefit expenses have decreased from 62.3% of revenue in FY 2017-18 to 60.8% of revenue in FY 2018-19.

Depreciation and Amortization

Depreciation charge has increased to ₹ 260.35 Million in FY 2018-19 from ₹ 203.30 Million in FY 2017-18 mainly on account of acquisition of subsidiary and amortisation of development cost.

Profit after Tax

Net Profit after Tax increased to ₹ 844.75 Million in FY 2018-19 from ₹ 715.03 Million in FY 2017-18. Net profit after Minority Interest increased from ₹ 640.85 Million in FY 2017-18 to ₹ 745.07 Million in FY 2018-19.



Human Resources Management

Datamatics considers human resources as a strong function which supports delivery and performance with its ability to maintain, to a large extent, its strength in attracting, developing, motivating and retaining talent. The Company believes that people are its most valuable asset as they contribute individually as well as collectively to the achievement of business objectives. The Company's endeavor is to provide a work environment that encourages a positive attitude and superior performance. The key elements of the Company's human resource management strategy include a comprehensive approach to managing people and the workplace culture and environment. Effectively, HR supports employees at every step of their career to enables employees grow professionally, contribute effectively and productively to the overall Company's vision and accomplish organization's goals and objectives. The total global people strength is over 10000 employees.

F. Risk Management

The Company's global operations bring in considerable complexities and in response to that, Datamatics has established a robust enterprise risk and compliance management framework

and process. This process provides an enterprise-wide view of risks and compliance which enables it to take a more holistic approach towards informed decision making. Some significant risks that could hinder Company operations are identified below:

Global Economic Risk
Datamatics derives majority of its revenues from overseas geographies. The changing economic conditions, inflation, reforms in tax laws, fiscal and monetary policies in these markets could enhance cost pressure and affect the Company adversely in several ways. The Company may also witness price reduction, lose key projects and customers, deterring financial performance.

Datamatics mitigates global economic risk by generating business from new market segments and enhances steeper growth in geographies other than the US and Europe.

Employee Related Risks
Datamatics' business is dependent on the quality of its workforce. Company's inability to attract, retain and motivate key employees would impair its ability to offer the right quality of service to the clients.

As a talent-driven organization, the Company's key goal is to have the best talent, with highly specialized skills in every business vertical, at the right levels and at the right locations, to enhance differentiation and competitiveness.

It strives to maintain its position as the employer of choice. Its Human Resources Department (HRD), is aligned with the Company's vision to attract, retain, and nurture high-quality talent. The Company consistently tries to create a culture of learning and continuous improvement, to build and grow employee's career, across all HR functions.

Business Continuity and Information Security
Datamatics is fully aware of Business Continuity risks arising out of global disruptions such as natural disasters, IT outages, cyber, pandemic, terror and unrest, power disruptions, to name a few. This is likely to hinder availability of people and process, technology and infrastructure.

The Company has a well-defined, robust and tested Business Continuity Plan (BCP) and Disaster Recovery (DR) processes in place. There are primary and secondary locations identified and equipped with the necessary infrastructure and facilities to ensure that the business processes can continue uninterrupted. There are dedicated, trained and empowered cross-functional teams at various levels in all locations to ensure that the BCP and DR processes are implemented in shortest possible times. Readiness according to the BCP and DR processes are regularly tested through surprise mock drills and audits. The audit and mock-drill findings are reviewed by senior management in Management Information Security Forum (MISF). In the past, the readiness was successfully verified in real scenario during the floods in Nasik and Chennai / Puducherry locations. The Company could bring up customer processes at the BCP and DR locations well-within the defined timelines. The Company was appreciated by customers for the several such occasions.

The Company's operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements and HIPAA requirements. The Company is in the final stages of renewing its PCI-DSS certification. These standards are extremely important for financial, insurance and healthcare industries.

Moreover, Datamatics successfully implemented Security Information and Event Management (SIEM) solution, strengthening Information security management framework.

Competition Risk
The technology market is evolving at a lightning speed. The world is moving towards smart automation and the emerging digital technologies are disrupting and changing the paradigm of business operations across Industries. This enhances the risk of competition. Datamatics manages to mitigate the competition risk by adopting the following measures:

- Datamatics invests in new technologies and product development in Robotics, Artificial Intelligence, Mobility and Analytics and consistently updates its own IP solutions in the digital technology space
- With rapid urbanization, Datamatics is focusing on areas such as Automated Fare Collection, Smart Gates, and Contactless Gates service offerings to name a few
- Datamatics has deep domain knowledge, skilled professionals, delivery capabilities and efficient sales force along with relationship managers to help retain its competitive positioning amongst peers
- Adopting a customer centric approach together with its ability to innovate customer specific solutions, through its in-house incubation hub, DataLabs, Datamatics conducts research and development based on emerging trends and cutting-edge technologies.
- Datamatics aggressively invests in widening its partner network and believes that the evolving partner ecosystem will increase sales momentum and ensure smooth implementation and support for Datamatics IP solutions globally

Legal and Regulatory Compliance Risk
Datamatics is exposed to greater compliance risks than ever before due to its presence in multiple developed and developing countries. Data Privacy and protection of personal data is a high priority concern globally. Legislations such as General Data Protection Regulation (GDPR) in Europe carry severe consequences for non-compliance or breach. Any violation or security breach, non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputation impact.

To keep the Company protected against the risk of data privacy breach, all its contracts with the customers in the EU region have been revised to incorporate GDPR requirements. A dedicated Data Protection Officer (DPO) has been appointed to address issues, if any, raised around GDPR compliance. Regular online training and workshops on Data Privacy and GDPR are conducted to foster a culture of awareness and responsibility among its employees. GDPR awareness is an integral part of the employee induction program.

Datamatics also uses services of professional consultants under the supervision of its dedicated in-house compliance team which is equipped to anticipate compliance risks and ensure compliance with domestic as well as overseas laws and regulations. Changes in the applicable regulations are monitored and tracked on a global basis.

Currency Risk

Datamatics derives majority revenues in foreign currencies. Volatility in currency exchange movements negatively impacts Company's financial performance. Through appropriate hedging strategy and business marketing practices aligned with market best practices, the management team takes adequate steps to minimize currency-related value erosion. The Company consistently reviews economic scenario and updates policies accordingly.

Internal Control Systems and their Adequacy

Datamatics has mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines, and regulations as applicable in a transparent manner.

The Company has appointed, M/s. SKPAG & Co., Chartered Accountants, Mumbai as Internal Auditors of the Company. During the year, the Internal Auditor has carried out Company audit on significant areas affecting the Company's business. The Audit Committee reviews its findings and recommendations at periodic intervals.

The Company's internal control system is adequate considering the nature, size and complexity of its business.

G. Outlook

As digital technologies undergo disruption, it brings with it a host of novel opportunities for businesses. Enterprises are looking for digital transformation to gain competitive edge and achieve higher customer satisfaction. This digital revolution has generated huge amounts of data. To derive better business insights, it is imperative to leverage the power of this data.

Datamatics' solutions portfolio spans Information Technology Solutions, Business Process Management (BPM) and Engineering Services. These solutions are powered by Artificial Intelligence to deliver smart processes, systems and devices. With enterprises focusing on automating business processes, Datamatics will continue to focus on digital technologies to develop intelligent innovative solutions.

Datamatics develops and updates its own IP solutions in the digital technology space. It designs effective strategies to expand its partners network and garner higher sales revenues.

With rapid urbanization, the Company anticipates Automated Fare Collection (AFS) and Smart Cities as potential growth sectors in India as well as across globe. United States, Europe, India have been the key markets for Datamatics. The Company will continue to retain a high market share in these geographies.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could defer materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, changes in Government regulations, tax laws and other factors such as litigation.

Readers are advised to exercise their own judgment in assessing risks associated with the Company, inter-alia, in view of discussion on risk factors herein and disclosures in regulatory filings, as applicable.

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance :

Corporate Governance is an integral part of Datamatics' philosophy. It is a reflection of the culture, values and policies of the Company. To meet its obligations towards its shareholders and other stakeholders, the Company has a corporate culture of conscience and consciousness; integrity, transparency and accountability for efficient and ethical conduct of business. It aims at highest standards of transparency, integrity, fairness, and accountability as well as equal treatment to all the stakeholders comprising of regulators, employees, investors, customers, vendors and the society at large.

Realizing the criticality of sound corporate governance practices to enhance shareholders and stakeholders trust, the Company observes the highest level of ethics in all its dealings. Apart from complying with the statutory requirements, effective systems and practices towards improving internal controls and promotion of ethics at work place have been institutionalized.

The Board of Directors provides leadership and guidance for establishing and executing Corporate Governance practices by balancing economic and social goals commensurate with individual and society goals at large. At Datamatics, Corporate Governance practices are effectively implemented and enforced through self-regulation as well as by adopting code of conduct & ethics.

The Company firmly believes that corporate governance standards should go beyond the law and must satisfy the spirit of law and not just the letter of the law. This is a way of life at Datamatics and is driven relentlessly across the organization.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('the Act').

II. Board of Directors :

a. Size and Composition of the Board:

The Board of Directors, along with its Committees, critically evaluates the Company's strategic direction, entrepreneurial leadership, management policies, possible risks and risk mitigation measures and their effectiveness. Thus, the Board provides strategic roadmap for the Company's future growth.

The Board has an optimum combination of Executive and Non-Executive Directors with effective balance of Independent and Non-Independent Directors, in conformity with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements.

As on March 31, 2019, the Board of Directors comprises of eight eminent persons of proven competence and integrity. The names and category of Directors on Board of the Company, name of the listed entities in which the Director is a Director and number of Directorships / Committee Membership(s) / Chairmanship(s) held by them in other Companies as on March 31, 2019 is summarized as under:

Name	Category	Directorship(s)/Committee Membership(s)/Chairmanship(s)			Directorship in other listed entities
		Directorship(s) (see note no.1)	Committee Membership(s) (see note no. 2)	Chairmanship(s)	
Executive Directors					
Dr. Lalit S. Kanodia Chairman & Whole -Time Director	Promoter Non-Independent	6	--	--	RPG Life Sciences Limited, Independent Director
Mr. Rahul L. Kanodia Vice Chairman & CEO	Promoter Group Non-Independent	6	2	--	Safari Industries (India) Limited, Independent Director
Mr. Sameer L. Kanodia Whole-Time Director#	Promoter Group Non-Independent	4	--	1	NA
Non-Executive Directors					
Mrs. Asha L. Kanodia	Promoter & Non-Independent	--	--	--	NA
Mr. R. K. Saraswat	Independent	4	1	5	• Priya International Limited, Independent Director; • Vinati Organics Limited, Independent Director; • Priya Limited, Independent Director.
Mr. Shahzaad S. Dalal	Independent	2	2	--	NA
Mr. Dilip D. Dandekar	Independent	7	2	--	• Kokuyo Camlin Limited; • Camlin Fine Sciences Limited
Mr. Vinay M. Aggarwal	Independent	--	2	--	NA

Mr. Sameer L. Kanodia has resigned from the position of Whole-Time Director of the Company w.e.f. May 09, 2019 and his designation has been changed from Whole-Time Director to Non-Executive Director of the Company.

Notes:

1. Directorship excludes directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Act and Datamatics Global Services Limited;

2. This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies.

   None of the Directors on the Board are members of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees as specified in Regulation 26 of the SEBI Listing Regulations across all the Companies in which they are Directors.

   Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

b. Board Meeting and Procedures:

The Board, to look at the long-term strategic planning, financial statements and policy reviews, meets at least once in a quarter to review financial results and operations of the Company. The Notice along with the agenda of the Board/Committee Meeting and comprehensive notes are given well in advance to all the Directors to enable them to take informed decisions. In case of special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by the Act, and are placed and confirmed by the Board at the next Board Meeting. The Agenda for the Board/Committee meetings are prepared by the Company Secretary in consultation with the Chairman, CEO and CFO of the Company. Every Director of the Company has liberty to recommend inclusion of items on the agenda.

All statutory and other matters of significant importance including information as mentioned in Schedule II Part A of the SEBI Listing Regulations are tabled before the Board for their discussions and consideration. The compliance reports of applicable laws, rules and regulations and the minutes of the meetings of the Committees of the Board are placed before the Board.

The draft Minutes are circulated amongst the members of the Board for their perusal. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are noted by the members and signed by the Chairman of the Board at the next Meeting.

During the financial year 2018-19, 6 (Six) Board Meetings were held on **April 27, 2018; May 29, 2018; August 14, 2018; November 12, 2018; December 14, 2018 and January 31, 2019.** With reference to the Regulation 17 of the SEBI Listing Regulations, the gap between the two Board Meetings has not exceeded One Hundred and Twenty Days.

The attendance of each Director at the Board Meetings for the financial year 2018-19 and the last Annual General Meeting is detailed as under:

Name of the Director	Board Meetings		Attendance at the last Annual General Meeting held on August 14, 2018
	Held	Attended	
Dr. Lalit S. Kanodia	6	6	Yes
Mr. Rahul L. Kanodia	6	6	Yes
Mr. Sameer L. Kanodia	6	6	Yes
Mr. R. K. Saraswat	6	6	Yes
Mr. Shahzaad S. Dalal	6	4	Yes
Mr. Dilip D. Dandekar	6	5	Yes
Mrs. Asha L. Kanodia	6	6	Yes
Mr. Vinay M. Aggarwal	6	6	Yes

c. Disclosure of relationships between Directors inter se:

- Mrs. Asha L. Kanodia is wife of Dr. Lalit S. Kanodia.
- Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia are sons of Dr. Lalit S. Kanodia and Mrs. Asha L. Kanodia.

d. Details of shares and convertible instruments held by Non-Executive Directors:

- Mrs. Asha L. Kanodia is holding 33,05,258 shares in the Company.
- Mr. Shahzaad S. Dalal is holding 2,000 shares in the Company.
- Mr. R. K. Saraswat is holding 1,000 shares in the Company.

e. Familiarization Program for Independent Directors:

All the Independent Directors inducted on the Board are given an orientation programs about Company's business model, group structure, organization structure and such other areas. These programs provide insights into the Company to enable them to perform their roles, duties, responsibilities and make effective contribution as Independent Directors of the Company. The details on the Company's methodology of the familiarization program and the details of familiarization programmes imparted to Independent Directors can be accessed at: http://www.datamatics.com/sites/default/files/Familiarisation-Program-for-Independent-Directors.pdf.

f. Key Board qualifications, Expertise and Attributes

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensuring that the Company is in compliance with the highest standards of corporate governance.

The table below summarizes key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

- General Management and Business Operations
- Thought Leadership
- CEO/Senior Management Experience
- IT Industry
- Public Policy/Governmental Regulations
- Accounting/Finance/Legal
- Risk Management
- Human Resources Management
- Strategy/M&A/Restructuring
- Corporate Governance
- Business Development/Sales/Marketing
- International Business

III. Committees of the Board:

Currently, the Board has the following four committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee.

Audit Committee

The Company has constituted a well-qualified and independent Audit Committee as required under Section 177 of the Act, read with Rules thereto, and is also in compliance with Regulation 18 of the SEBI Listing Regulations. The role of audit committee and the information reviewed by it is as per Part C of Schedule II of the SEBI Listing Regulations, including but not limited to oversighting financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of auditors and internal auditors, scrutiny of intercorporate loans and investments and to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Company Secretary of the Company acts as Secretary of the Committee.

Description of Terms of Reference:

The terms of reference of the Audit Committee are as follows:

(i) Review of financial statements before they are submitted to the Board for adoption;

(ii) Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the auditors;

(iii) Review of quarterly, half yearly and yearly financial statements and audit report before they are presented to the Board, focusing inter- alia upon:

- Accounting Policies and any changes thereto;
- Major accounting entries based upon exercise of judgment by the management;
- Ensuring compliance with the Accounting Standards;
- Significant issues arising out of audit;
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub–section 3 of Section 314 of the Companies Act, 2013;
- Modified opinion(s) in the draft audit report;
- Compliance with the laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.

(iv) Review and monitor auditor's independence and performance and effectiveness of the audit process;

(v) Approve any subsequent modification of the transactions with the Related Parties;

(vi) Scrutiny of inter corporate loans and investments;

(vii) Valuation of undertaking and assets;

(viii) Review with the management, performance of the statutory and internal auditors and the adequacy of internal control systems;

(ix) Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;

(x) Review of the Company's financial and risk management systems;

(xi) Investigating the reasons for substantial defaults, if any, in the payment to the depositors, shareholders. (In case of non-payment of declared dividends), and creditors;

(xii) Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board;

(xiii) Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;

(xiv) Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company;

(xv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;

(xvi) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;

(xvii) Consider any other matter as may be requested by the Board;

(xviii) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(xix) Perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition, Name of Members and Chairman:

The Audit Committee comprises of 3 (three) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman), Mr. Shahzaad S. Dalal, and Mr. Vinay M. Aggarwal and 1 (One) Executive Director viz. Mr. Rahul L. Kanodia.

All members of the Committee are well versed with finance, accounts, corporate laws and general business practices. The Company Secretary of the Company acts as the Secretary of the Committee.

The meetings of Audit Committee are also attended by Chief Financial Officer and Partner of Statutory Auditors. Minutes of the Committee meetings are circulated to the Members and are placed before the Board for noting. The role of audit committee and the information reviewed by it is as per Part C of Schedule II of SEBI Listing Regulations including but not limited to overseeing of financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of statutory and internal auditors, scrutiny of intercorporate loans and investments, evaluation of internal financial controls and risk management systems.

Meetings and Attendance during the year:

During the year under review, the Committee met 6 (Six) times on **April 27, 2018; May 29, 2018; August 14, 2018; November 12, 2018; December 14, 2018 and January 31, 2019** and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended last AGM held on August 14, 2018.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	6	6
Mr. Shahzaad S. Dalal	Independent	Member	6	4
Mr. Vinay M. Aggarwal*	Independent	Member	6	6
Mr. Rahul L. Kanodia*	Non-Independent	Member	6	6

* Mr. Rahul L. Kanodia and Mr. Vinay M. Aggarwal were appointed on the Committee w.e.f. April 19, 2018.

Nomination and Remuneration Committee (N&RC)

The N&RC is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The role of N&RC and the information reviewed by it is as per Part D of Schedule II of SEBI Listing Regulations.

Description of Terms of Reference:

The terms of reference of the N&RC are as under:

(i) Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills;

(ii) Formulation of the criteria for determining such as qualifications, positive attributes and independence for appointment of persons as Directors;

(iii) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;

(iv) Devising a policy on diversity of Board of Directors;

(v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;

(vi) Recommend to the Board all matters relating to the compensation (including annual increments, incentives and revision in salary) payable by the Company to the Senior Management;

(vii) To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall ensure that—

(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

(viii) Consider any other matter as may be requested by the Board;

(ix) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(x) Perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition, Name of Members and Chairman:

The N&RC comprises of 4 (Four) members i.e. Mr. R. K. Saraswat (Chairman, being Non-Executive Independent Director), 1(one) Executive Director Dr. Lalit S. Kanodia and 2(two) Non-Executive Directors viz., Mr. Shahzaad S. Dalal and Mr. Vinay M. Aggarwal.

The Company Secretary of the Company acts as the Secretary of the Committee.

Meetings and Attendance during the year:

During the year under review, the Committee met 2 (Two) times on **May 29, 2018 and January 31, 2019**.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat*	Independent	Chairman	2	2
Dr. Lalit S. Kanodia	Non-Independent	Member	2	2
Mr. Shahzaad S. Dalal	Independent	Member	2	1
Mr. Vinay M. Aggarwal#	Independent	Member	2	2

* Mr. R. K. Saraswat was appointed as Chairman of the Committee w.e.f. April 19, 2018.

Mr. Vinay M. Aggarwal was appointed on the Committee w.e.f. April 19, 2018.

Performance evaluation criteria for Independent Directors:

The performance evaluation framework is in place and has been circulated to all the Directors. The factors that are evaluated includes participation and contribution by a Director, commitment and efforts taken by Director to promote mutual trust and respect, assisting in implementing and enhancing corporate governance activities, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The role of the Stakeholders Relationship Committee is as specified in Part D of Schedule II of SEBI Listing Regulations.

Description of Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

(i) Meet regularly to consider requests of share transfer/ transmission/split/consolidation/duplicate share certificate etc.

(ii) Look into the redressal of shareholders and investors complaints like transfer/ transmission of shares or credit of shares, non-receipt of annual reports/ notices/declared dividends etc. and other secretarial compliances relating to share capital of the Company under the listing agreement etc.

(iii) Oversee performance of the Registrars and Transfer Agents of the Company and looks into matters which can facilitate better investor services and relations.

(iv) Consider and resolve the grievances of the security holders including the shareholders, debenture-holders, deposit holders etc. of the Company.

(v) Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;

(vi) Review measures taken for effective exercise of voting rights by shareholders;

(vii) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;

(viii) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

(ix) Consider any other matter as may be requested by the Board;

(x) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(xi) Perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition, Name of Members and Chairman:

The Stakeholders Committee comprises of 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman) and Mr. Vinay Aggarwal and 1 (one) Executive Director viz Mr. Rahul L. Kanodia.

The Company Secretary of the Company acts as the Secretary of the Committee.

Meetings and Attendance during the year:

During the year under review, the Committee met 5 (Five) times on **May 29, 2018; July 23, 2018; August 14, 2018; December 14, 2018 and January 31, 2019**.

The details of the Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	5	5
Mr. Vinay M. Aggarwal*	Independent	Member	5	5
Mr. Rahul L. Kanodia	Executive Director	Member	5	5

* Mr. Vinay M. Aggarwal was appointed on the Committee w.e.f. April 19, 2018

Name, Designation and Address of Compliance Officer:

Ms. Divya Kumat,
EVP, Chief Legal Officer & Company Secretary
Datamatics Global Services Limited
Knowledge Centre, Plot No. 58, Street No. 17,
MIDC, Andheri (East), Mumbai – 400 093.
Tel: +91–22–6102 0000 | Fax: +91–22–28343669
Email: investors@datamatics.com

The details of shareholders grievances received and resolved during FY 2018 -19 is given below:

Sr. No.	Nature of Complaints	Received	Resolved
1.	Non-receipt of Dividend	23	23
2.	Non-receipt of Annual Reports/Notices	1	1
5.	Others	7	7
Total		**31**	**31**

No shareholders grievances are pending as on the end of financial year.

Corporate Social Responsibility Committee

The Corporate Social Responsibility [CSR] Committee of Directors is constituted in accordance with the provisions of Section 135 of the Act and the Rules framed thereunder. The Committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the Corporate Social Responsibility Policy.

Description of terms of reference:

The terms of reference of the CSR Committee are as under:

(i) Formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder;

(ii) Recommend the amount of expenditure to be incurred on the CSR activities;

(iii) Monitor the implementation of the CSR Policy of the Company from time to time;

(iv) Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

Composition, Name of Members and Chairman:

The CSR Committee of the Board of Directors comprises of 3 (Three) Directors viz. Mr. Rahul L. Kanodia (Chairman), Mr. R. K. Saraswat and Mr. Sameer L. Kanodia. The Company Secretary of the Company acts as the Secretary of the Committee.

Meetings and Attendance during the year:

During the year under review, 1 (One) meeting was held on **May 29, 2018**.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Rahul L. Kanodia	Non-Independent	Chairman	1	1
Mr. R. K. Saraswat	Independent	Member	1	1
Mr. Sameer L. Kanodia	Non-Independent	Member	1	1

IV. Remuneration of Directors:

A. Remuneration Policy:

In terms of Section 178 of the Act the Remuneration Policy has been formulated by the N&RC of the Company and approved by the Board of Directors. The Policy ensures that:

(i) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

(ii) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

B. Pecuniary relationship or transactions of the Non-Executive Directors vis-a vis the listed entity:

The Company did not have any material pecuniary relationship or transactions with the Non-Executive Directors.

C. Criteria for making payment to Non-Executive Directors

Criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at http://www.datamatics.com/sites/default/files/Criteria-for-payment-to-Non-Executive-Directors.pdf.

D. Disclosure with reference to Remuneration to Whole-time Directors, other Executive Directors and Non-Executive Directors:

The Whole-time Directors are paid remuneration by way of salary, commission, perquisites, incentives and allowances, as recommended by N&RC and approved by the Board of Directors and the members of the Company from time to time. Non-Executive Independent Directors are entitled for sitting fees for attending meetings of the Board of Directors and Audit Committee. Non-Executive Directors are also paid remuneration by way of commission up to a maximum limit of 0.25% of net profits of the Company for the financial year, as approved by the Members of the Company. The sitting fees being paid is within the limit prescribed under the Act.

The details of remuneration paid to the Directors during the financial year 2018-19 is given in Form MGT-9 which is annexed to the Board's report:

1. Details of fixed component and performance linked incentives along with performance criteria:

(a) The remuneration to the Executive Directors is determined by N&RC and the same is recommended to the Board for their approval. The said remuneration is subject to approval of the shareholders and Central Government, if required. The details of the said remuneration is given in Form MGT -9 which is annexed to the Board's Report;

(b) Performance linked incentives is granted to Mr. Sameer L. Kanodia. The assessment of performance is done by N&RC on the basis of desired results of the projects handled by Mr. Sameer L. Kanodia vis-a- vis overall performance of the Company;

(c) Annual increment of the Executive Directors is determined on the basis of the recommendations of N&RC which is within the overall limit for remuneration as approved by the shareholders.

2. Terms of Appointment of Executive Directors:

(a) Appointment of the Executive Directors is done for a maximum period of five years as per provisions of the Act;

(b) Resignation from the position of Executive Directorship is addressed to the Board of Directors;

(c) All element of remuneration package summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc. are given in Form MGT-9 which is annexed to the Board's Report.

V. Independent Directors Meeting:

Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on January 31, 2019, without the presence of Non-Independent Directors and Members of Management, to consider, inter alia, the following: (a) review the performance of Non-independent Directors and the Board as a whole; (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors; (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors, except Mr. Shahzaad S. Dalal and Mr. Dilip D. Dandekar, who had sought leave of absence, were present in the Meeting and the Meeting was chaired by Mr. R. K. Saraswat.

VI. General Body Meetings:

A. Details of Annual General Meetings held during last three years, and the special resolution(s) passed thereat, are as follows:

Year	Date of Meeting	Time	Place of Meeting	Details of Special Resolution(s) passed
2015-16	September 15, 2016	11.00 a.m.	Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.	No Special Resolution passed.
2016-17	September 14, 2017	11.00 a.m.		No Special Resolution passed.
2017-18	August 14, 2018	4.00 p.m.		No Special Resolution passed.

B. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year.

C. Postal Ballot:

- During the year under review, no resolution was passed through the postal ballot.
- Approval of the Shareholders was sought through postal ballot for approving the Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and the Company. Mr. Ashish Bhatt, practicing Company Secretary was appointed as Scrutinizer to scrutinize the postal ballot and remote evoting process in a fair and transparent manner. The Voting details and consolidated scrutinizer report are available on the website of the Company and Stock Exchanges.
- None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

VII. Means of Communication:

- **Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Financial Express' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: www.datamatics.com.
- **Website:** The Company's website: www.datamatics.com contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at https://listing.bseindia.com.
- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are filed electronically on NEAPS. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at https://www.connect2nse.com/LISTING.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Exclusive email-id:** The Company has an exclusive email id – investors@datamatics.com dedicated for prompt redressal of shareholders' queries, grievances etc.
- **Voluntary e-mail:** The Company voluntarily sends corporate announcements, official news releases and other communications to those shareholders whose Email IDs have been registered with the Company and depositories.

VIII. Management Discussion and Analysis:

The Management Discussion and Analysis Report for the financial year 2018-19 as per the requirement of the SEBI Listing Regulations, is given in a separate section forming part of the Annual Report.

IX. Website:

The Company maintains a functional website containing basic information about the Company. The website address is www.datamatics.com. The Company is disseminating following information on its website:

(a) Details of business;

(b) Terms and conditions of appointment of Independent Directors;

(c) Corporate Announcement;

(d) Composition of various committees of Board of Directors;

(e) Code of conduct of Board of Directors and Senior Management Personnel;

(f) Details of establishment of Vigil Mechanism/ Whistle Blower policy;

(g) Criteria of making payments to Non-Executive Directors, if the same has not been disclosed in annual report;

(h) Policy on dealing with Related Party transactions;

(i) Policy for determining 'Material' subsidiaries;

(j) Details of familiarization programmes imparted to Independent Directors;

(k) Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances;

(l) Financial information;

(m) Shareholding pattern.

X. General Shareholder Information

a) 31st Annual General Meeting:

Day : Tuesday
Date : August 13, 2019
Time : 2.00 p.m.
Venue : Walchand Hirachand Hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.

b) Financial Year:

The financial year of the Company starts from April 1 of every year to March 31 of the next year.

c) Date of Book Closure:

The books will remain closed from August 07, 2019 to August 13, 2019.

d) Dividend Payment Date:

The Board of Directors of your Company have recommended final dividend of ₹ 1/- [20%] per share for the financial year 2018-19. Date of payment of the dividend would be within 30 days from the date of AGM.

e) Listing on Stock Exchange:

The equity shares of the Company are listed at:

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001;
- National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

f) Annual Listing Fees and Custodial Fees:

The listing fees and custodial fees for the financial year 2018-19 have been paid by your Company within the stipulated time.

g) Stock Code and Other related Information:

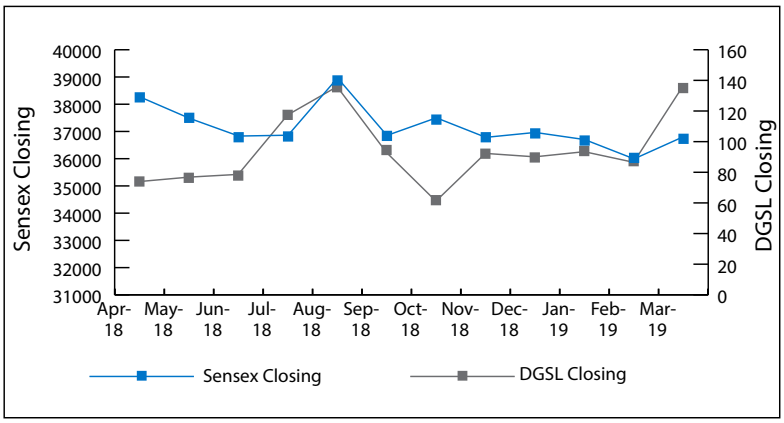
BSE LIMITED	National Stock Exchange of India Limited	ISIN	CIN
532528; DATAMATICS	DATAMATICS	INE365B01017	L72200MH1987PLC045205

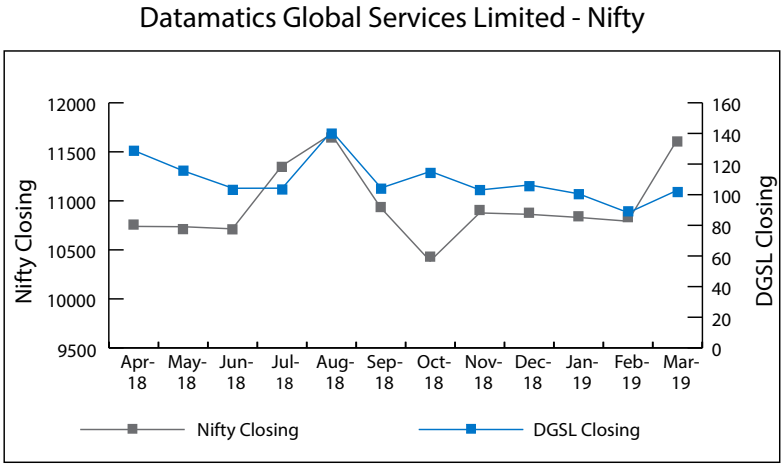
h) Market Price Data:

Details of high and low price during each month in the last financial year on BSE Limited and National Stock Exchange of India Limited, are as under:

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2018	139.00	103.90	139.50	102.50
May – 2018	133.90	111.15	130.90	113.50
June – 2018	116.65	95.70	116.80	96.60
July – 2018	109.90	94.00	109.80	98.15
August – 2018	145.00	99.25	144.80	99.15
September – 2018	154.40	102.85	154.55	102.60
October – 2018	128.95	97.25	124.90	96.95
November – 2018	121.65	101.45	121.90	101.00
December – 2018	115.30	99.20	115.30	99.00
January – 2019	119.75	99.00	119.60	99.65
February – 2019	102.40	82.00	101.50	81.90
March – 2019	111.15	88.00	111.90	89.00

i) Performance in comparison to broad based indices of BSE Sensex:





j) Registrar and Transfer Agent:
Datamatics Business Solutions Limited
(Formerly known as Datamatics Financial Services Limited)
Plot No. B-5, MIDC,
Part B, Cross Lane, Andheri (East),
Mumbai – 400 093.
Tel: 91-22-6671 2151;
Fax: 91-22-6671 2250
E-mail: shares@datamaticsbpm.com

k) Share Transfer System:
The Company's Equity Shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Equity Shares in physical form are processed by the Registrar and Share Transfer Agents, Datamatics Business Solutions Limited and approved by the Stakeholders Relationship Committee of the Board of the Company. The share transfers are normally processed within 15 days from the date of receipt of the documents, if they are complete in all respects.

l) Shareholding as on March 31, 2019:
Distribution of equity shareholding as on March 31, 2019:

Sr. No.	Shareholding No. of Shares		Shares	% To Capital	No. of Holders	% to No. of Holders
	From	To				
1.	1	1,000	33,82,262	5.74	19,312	92.35
2.	1,001	2,000	11,23,908	1.91	725	3.47
3.	2,001	4,000	11,49,062	1.95	394	1.88
4.	4,001	6,000	9,33,406	1.58	188	0.90
5.	6,001	8,000	4,64,198	0.79	66	0.32
6.	8,001	10,000	5,73,099	0.97	61	0.29
7.	10,001	20,000	12,18,440	2.07	84	0.40
8.	20,001	99,999,999,999	5,01,04,962	84.99	82	0.39
	Total		**58,949,337**	**100.00**	**20,912**	**100.00**

Categories of equity shareholders as on March 31, 2019:

Category	No. of shares	% of Shareholding
Promoters & Promoter Group	4,32,98,431	73.45
Foreign Portfolio Investor	142,100	0.24
Banks and Financial Institution	79,622	0.14
Individuals	1,26,36,083	21.43
NBFC registered with SEBI	2,379	00.00
NRI	626,640	1.06
Trust	65	0.00
Bodies Corporate	20,65,758	3.50
Clearing Member	33,980	0.06
Foreign Nationals	18,000	0.03
IEPF	46,279	0.09
Total	**58,949,337**	**100.00**

m) Unpaid/Unclaimed Dividend:

Pursuant to the provisions of Section 124(5) of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Act.

Shareholders of the Company who have not received or encashed their dividend warrants for the financial years, as mentioned below, are requested to claim the unpaid/unclaimed dividend from the Company before its transfer to the above mentioned Fund:

Year of Declaration	Date of Declaration	Interim/Final	Rate of Dividend (In Rs.)	Date of Transfer to IEPF
2011-12	September 26,2012	Final	₹ 0.75 per share	October 25, 2019
2012-13	September 24, 2013	Final	₹ 1.00 per share	October 23, 2020
2013-14	September 23, 2014	Final	₹ 1.25 per share	October 22, 2021
2014-15	September 23, 2014	Interim	₹ 0.35 per share	October 22, 2021
2014-15	August 28, 2015	Final	₹ 0.65 per share	September 27, 2022
2015-16	March 21, 2016	Interim	₹ 0.50 per share	April 20, 2023
2015-16	September 15, 2016	Final	₹ 0.25 per share	October 14, 2023
2016-17	September 14, 2017	Final	₹ 0.75 per share	October 13, 2024
2017-18	March 21, 2018	Interim	₹ 0.50 per share	April 20, 2025
2017-18	August 14, 2018	Final	₹ 0.25 per share	September 13, 2026

Note : An amount of ₹ 1,86,440/- lying in the Unpaid Dividend Account for the Financial Year 2010-11, has been transferred to IEPF account on October 31, 2018, the details of which is available on the website of the Company.

In respect of the dividend transferred under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from IEPF Authority, in accordance with such procedure and on submission of such documents as may be prescribed.

n) Transfer of shares to Investor Education & Protection Fund (IEPF)

Pursuant to the provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously, to IEPF.

During the financial year, the Company had transferred 7,653 shares to IEPF. Details of these shares are available on the Company's website www.datamatics.com.

Further, shares in respect of whom dividend will remain unclaimed for seven consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website www.datamatics.com.

o) Updation of KYC details

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members' register, communications have been sent by the Company to eligible shareholders in this regard. Shareholders are requested to update these details at the earliest.

p) Dematerialization of shares and liquidity:

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL]. The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN allotted to the Company is INE365B01017. As on March 31, 2019, 5,88,56,480 Equity Shares out of 58,949,337 Equity Shares of the Company, constituting 99.84% of the Company's paid-up capital are

held in the dematerialized form. Share dematerialized upto March 31, 2019 are as under.

Particulars	As on March 31, 2019	
	No. of Shares	%
Shares in Demat form	588,56,480	99.84
- NSDL	1,94,93,743	33.07
- CDSL	3,93,62,737	66.77
Shares in Physical Form	92,857	0.16
Total	**58,949,337**	**100**

q) ADRs/GDRs/Warrants:

The Company has not issued any ADRs/ GDRs /Warrants or any other convertible instruments.

r) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company is exposed to foreign currency fluctuation risk due to the constant variation of the Indian Rupee. The Board of Directors have approved Forex Risk Management Policy to keep the Company hedged against the risk of forex fluctuations. Any risk arising from exposure to foreign currency for exports and is being hedged according to policy approved.

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

s) Office Locations:

INDIA	
Registered Office: Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093.	
Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.	Unit No. 189-190-, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.
Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.	701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096.
Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.	Unit No. 172, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.
Unit No. 105, Multistoried Building, 1st Floor, SEEPZ – SEZ, Andheri (E), Mumbai - 400 096.	The Great Oasis, 5th Floor, Plot No, D-13, Road No. 21 MIDC, Andheri (E), Mumbai - 400 093.
74/II, "C" Cross Road, Opp. Gate No.2, MIDC, SEEPZ, Andheri East, Mumbai – 400093.	103, Balaji Residency, Mamletdarwadi Liberty Garden, Malad (W), Mumbai - 400064.
6th floor, Eucharistic Congress Building No. III, C.S. No. 445, Ward A 885 (1A-1B) 5 Convent Street, Colaba, Mumbai 400001	Unit -3, 1st 2nd 3rd & 4th Floor No. 334, 27th, Main Road, 2nd Sector, HSR Layout, Bangalore- 560102
Suyojit Datamatics Knowledge Center, Suyojit I.T. Park, Survey No. 804, Unit No. S1-S3, Mumbai Agra Road, Nashik - 422 002.	Office No 5, Second Floor, Tower-I, Stellar IT Park, C-25, Sector-62 Noida – 201301.
RR Towers III, 3rd floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032.	Plot No 29-34, East Coast Road (100 Feet Road), Saram Revenue Village, Oulgaret Municipality, Lawspet Post, Puducherry - 605008.
Unit No. A-4 and A-3, 2nd Floor, Tower C, Centrum Plaza, Golf Course Road, Sector – 53, Gurgaon.	Ground Floor President Plaza, Opp. Muktidham Derasar, Thaltej Cross Road, S.G Highway, Ahmedabad -380 054, Gujarat.
"RJ Grand" R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry – 605008.	Gayathri Chambers, Second Floor, No. 948 24th Main, JP Nagar 2nd Phase Bangalore Karnataka – 560078.
Cessna Business Park, Embassy Singnet Building, 4th Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Banglore – 560103.	Skyloft, Creaticity (Earlier Ishanya Mall), Opp. Golf Course, Off. Airport Road, Shashtrinagar, Yerwada, Pune 411006.
A-101, 102 & 124, Siddhivinayak Towers, Makarba Ahmedabad - 380051, Gujarat.	Doxa Business Centre, Unit No. 11, Rattha Tek Tower- GF, Rajiv Gandhi Salai, OMR, Okkiyum Thoraipakkam, Chennai - 97.
12th Floor, Phase II, Ascendas International Tech Park, Taramani Road Chennai - 600113, Tamil Nadu.	House No.1/1000, Vinay Khand, Gomti Nagar, Lucknow 226010.
No. 10, Vazhudavour Road, Pettiyan Chattram, Thattanchavadi, Puducherry.	9th Floor, CITIUS A Block, Phase 1, Olympia Tech Park, Plot No. 1, SIDCO Industrial Estate, Guindy, Chennai - 600032
Office No. 607, A-40, Sector 62, Noida, Uttar Pradesh, 201309, India.	3rd Floor, No. 24, Benaka Complex, 2nd Cross, Sirur Park Road, Sheshadripuram, Bengaluru, Karnataka 560020.

OVERSEAS	
Suite 100 & 400, 31572 Industrial Road, Livonia, MI – 48150.	3rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.
345, 7th Avenue, Suite No. 401, New York – 10001.	1, Doughty Street, London, WC1N2PH.
Suite #200 & 240, 56 Middlesex Turnpike, Burlington, MA – 01803	Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverlly, Victoria 3150, Australia.
Suite #100, 510 Thornall Street, Edison, NJ – 08837.	1797 Seddon Court, Ashland, OH- 44805.
Ecos Office Centre, Room No. 29, Leuschnerpark, IM, Leuschnerpark 4, 64347, Griesheim.	Gerhart-Hauptmann-Strassee 20, 64347 Griesheim.
268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom.	200 South Walker, Suite 625, Chicago, IL 60606.
4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	Office 3201, 32nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE PO Box: 501755.
3265 Farmtrail Road, York, PA 17406.	4 Collins Avenue, Plymouth MA 02360 USA
4633 Old Ironsides Dr., Ste. 109, Santa Clara, CA 95054.	MSG Rechtsanwalte & Notare, Vortstadt 32, 6304, Zug, Switzerland.
153 Milton Keynes Business Centre, Foxhunter Drive, Linford Wood, Milton Keynes, Buckinghamshire, United Kingdom, MK14 6GD	2350, Mission College Boulevard, Suite 490, Santa Clara, CA 95054.
Keynes, Buckinghamshire, United Kingdom, MK14 6GD.	1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila.
Suite # 192, 2001 NE, 46th t. Kansas City, MO - 64116	3rd Floor, Tower 1, Rockwell Business Center Ortigas Ave, Pasig City, 1600 Metro Manila, Philippines.
Suite 302, 52 Atchison St, Leonards, NSW 2065.	Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands

t) Address for Correspondence

Investors Correspondence/Compliance Officer	Registrar and Transfer Agent
Ms. Divya Kumat, **EVP, Chief Legal Officer & Company Secretary** Datamatics Global Services Limited Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai – 400 093. Tel: 91-22-6102 0000/1/2 | Fax:91-22-2834 3669 E-mail: investors@datamatics.com	**Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited)** Plot No. B-5, MIDC, Part B, Cross Lane, Andheri (East), Mumbai - 400 093. Tel: 91-22-6671 2151 |Fax: 91-22-6671 2250 E-mail: depository@datamaticsbpm.com

XI. Disclosures

a) Materially significant related party transactions:

During the financial year 2018-2019, the Company has not entered into any material transactions with any of its related parties that may have potential conflict with the interests of the Company at large. The related party transactions entered into with the related parties as defined under the Act and with the SEBI Listing Regulations, during the financial year were in the ordinary course of business and at an arm's length basis and the same has been approved by the Audit Committee. The details of transactions with related parties are disclosed in the Notes to accounts of the Standalone Financial Statements. The Board of Directors have approved a policy for related party transactions which has been uploaded on the Company's website: http://www.datamatics.com/investors/corporate-governance

b) Details of non-compliance/penalties/strictures imposed on the Company by the Statutory Authorities:

There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to the capital market during the last three years.

c) Whistleblower/Vigil Mechanism:

The Board of Directors have formulated a Whistleblower Policy/Vigil Mechanism in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the SEBI Listing Regulations which is also available on the Company's website: http://www.datamatics.com/investors/corporate-governance. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Listing Regulations:

The Company has fully complied with the mandatory requirements of the Listing Regulations. The Company has also adopted the following non-mandatory requirements of SEBI Listing Regulation:

(i) The Company's financial statements have unmodified audit opinions.

(ii) The company has appointed separate persons to the post of Chairman and CEO.

(iii) The internal auditors of the Company, M/s. SKPAG & Co., Chartered Accountants, reports directly to the audit committee.

e) Policy for determining material subsidiaries:

The Board of Directors has formulated a Policy for determining Material Subsidiaries pursuant to the provisions of the SEBI Listing Regulation. The same is displayed on the website of the Company at http://www.datamatics.com/investors/corporate-governance.

f) Appointment of Independent Director on the Board of material Unlisted Subsidiary Company:

The Company has appointed the Independent Director on the Board material unlisted subsidiary Companies viz. Lumina Datamatics Limited and Lumina Datamatics Inc.

g) Policy on dealing with related party transactions:

The Board of Directors has adopted a Policy for dealing with related party transaction pursuant to the provisions of the SEBI Listing Regulations. The same is displayed on the website of the Company at http://www.datamatics.com/investors/corporate-governance.

h) CEO & CFO Certification:

As required under Clause 33 of the SEBI Listing Regulations, the CEO and CFO certification on the Financial Statements and other matters have been obtained from Mr. Rahul L. Kanodia, Vice Chairman & CEO and Mr. Sandeep Mantri, Chief Financial Officer of the Company.

i) Details of total fees paid to statutory Auditors:

The details of total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

₹ in million

Type of Service	FY 2018-19	FY 2017-18
Audit Fees*	8.57	10.62
Tax Fees	2.73	2.73
Others	1.20	1.20
Total	**12.49**	**14.67**

*Includes audit and audit related services

j) Complaints pertaining to sexual harassment:

No Complaints pertaining to Sexual Harassment were received during the financial year under review.

k) Non – Debarment or Non-disqualification of Directors:

A certificate from Mr. Tushar Shridharani, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company has 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 statutory authority is enclosed herewith.

XII. Disclosures of the compliance of Corporate Governance Requirement:

The Company has made disclosures of the compliance of Corporate Governance Requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the SEBI Listing Regulations.

XIII. Declaration by CEO:

Declaration signed by Chief Executive Officer stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management is appended herewith.

XIV. Compliance certificate signed by Auditors regarding compliance of conditions of corporate governance is appended herewith.

XV. Disclosure with respect to shares transferred to IEPF:

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed under the said rules. At the end of the year, i.e., as at March 31, 2019, 46,279 equity shares were lying in the IEPF.

Declaration by the CEO

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Datamatics – Code of Conduct and Ethics for the financial year ended March 31, 2019.

Place : Mumbai
Dated : May 09, 2019

Rahul L. Kanodia
Vice-Chairman & CEO

Auditors' Certificate

To,
The Members of
Datamatics Global Services Limited

We have examined the compliance of conditions of Corporate Governance by **Datamatics Global Services Limited** ('the Company') for the year ended March 31, 2019, as stipulated under regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof as adopted by the Company for ensuring the compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended on March 31, 2019.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W/W100197

J. P. Bairagra
Partner

Membership No.: 012839
Place : Mumbai
Dated : May 09, 2019

TUSHAR SHRIDHARANI
B. Com., LL.B., F.C.S.

Tel. : (022) 2208 5764 / 2208 5765
Email : tushar@tusharshri.com
Web. : www.tusharshri.com

10, New Marine Lines
417, Jolly Bhavan No. 1
Mumbai – 400 020

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 of
Datamatics Global Services Limited
Knowledge Centre, Plot No. 58
Street No. 17, MIDC, Andheri (East)
Mumbai - 400 093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Datamatics Global Services Limited having CIN - L72200MH1987PLC045205 and having Registered Office situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai - 400 093 (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.

In 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] as considered necessary and explanations furnished to me by the Company and 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, 2019 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.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Dr. Lalit Surajmal Kanodia	00008050	03-11-1987
2.	Mr. Rahul Lalit Kanodia	00075801	28-09-2007
3.	Mr. Sameer Lalit Kanodia	00008232	30-01-2008
4.	Mrs. Asha Lalit Kanodia	00008061	12-08-2014
5.	Mr. Dilip Digambar Dandekar	00846901	12-08-2014
6.	Mr. Radhakrishna Kunjlal Saraswat	00015095	26-11-1998
7.	Mr. Vinay Mulkhraj Aggarwal	00030483	27-05-2015
8.	Mr. Shahzaad Siraj Dalal	00011375	06-11-2003

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

Place : Mumbai
Dated : May 9, 2019

Tushar Shridharani
FCS 2690 / COP 2190

Independent Auditor's Report on the Audit of the Consolidated Financial Statements

To,
The Members of **DATAMATICS GLOBAL SERVICES LIMITED**

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** (hereinafter referred to as the 'Holding Company") and its subsidiaries (**Holding Company and its subsidiaries together referred to as "the Group")**, and its joint venture listed in Annexure A, which comprise the consolidated Balance Sheet as at March 31, 2019, and the consolidated statement of Profit and Loss, the consolidated statement of changes in equity and the consolidated cash flows Statement for the year then ended and notes to the consolidated financial statements, including a summary of 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 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 accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its joint venture as at March 31, 2019, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit 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 financial statements section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters ('KAM') are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Revenue recognition in respect of fixed price contract

Description of Key Audit Matters

Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates: Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.

How our audit addressed the key audit matter

Our procedures included discussion with the management on the control on the data and its effectiveness. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.
- Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred.
- Selected a sample of contracts and tested the operating effectiveness of the internal controls relating to efforts incurred and estimated through inspection of evidence of performance of these controls.
- Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.
- Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

B. Carrying Value of Goodwill

Description of Key Audit Matters

The Group has goodwill of ₹ 2,124.25 million in respect of its few Cash Generating Units. The Group is required to annually test the amount of goodwill for impairment. This annual Impairment testing was significant to our Audit because the balance of ₹ 2,124.25 million as of March 31, 2019 is material to the financial statements. The determination of recoverable amount requires judgment on the part of the management with respect to future revenue, estimated profit, discount rate and hence assessment process is highly judgmental and is based on assumptions.

How our audit addressed the key audit matter

We evaluated the appropriateness of management identification of Cash Generating Units and the continued satisfactory operation of the Groups controls over the whole process. Our procedures included discussion with the management on the suitability of the impairment

model and reasonableness of the assumptions. Our review included the below:

- Benchmarking company's key assumptions with industry comparators and also with assumptions made in the prior years and also comparing the margin and revenue trend with the actual results relating to previous forecasts.
- We reviewed the management's impairment assessment and examined the calculation methodology and sources for key assumptions.
- We corroborated the key assumptions, being the cash flows, growth assumptions and discount rates.
- We performed sensitivity analysis over significant assumptions used in the models to ascertain the point at which impairment would be triggered and considered the likelihood of such a change.
- We reviewed the disclosure in the financial statements in respect of management's impairment testing to confirm that these are consistent with the conclusions of our audit work and meet the disclosure requirements of the relevant accounting standards.

C. Valuation of Employee Benefits

Description of Key Audit Matters

The Group has recognised provision for Gratuity of ₹ 171.42 million and provision for Leave Encashment of ₹ 93.86 million as of March 31, 2019. The assumptions that underpin the valuation of the Gratuity and Leave Encashment are important and also based on subjective judgments. Management has obtained advice from actuarial specialists in order to calculate the amount of Gratuity and Leave Encashment to be recognized. An uncertainty arises as a result of estimates made based on the Company's expectations about long-term trends and market conditions. As a result, the actual surplus or deficit realised by the Company may be significantly different to that recognised on the balance sheet since small changes to the assumptions used in the calculation may materially affect the valuation.

How our audit addressed the key audit matter

Our procedures included discussion with the management on the control on the data and reasonableness of the assumptions

- We reviewed the scheme rules to ensure our understanding is correct. We tested the input data used by the actuary to company records.
- We evaluated the key actuarial assumptions with the assistance of our specialists to determine if these were within an acceptable range.
- We compared with the actuarial gain/loss of earlier years to understand the impact of the variation in the assumptions
- We read the disclosure in the financial statements in respect of employee benefits to consider whether these are consistent with the conclusions of our audit work and meet the disclosure requirements of the relevant accounting standards.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Companies Act, 2013 that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and its joint venture including its Jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint venture 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture 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 and its joint venture 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 and its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

Auditor's Responsibilities for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 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.
- 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 and its joint venture 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 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 and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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 and its joint venture to express an opinion on the consolidated 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 financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 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.

Other Matters

(a) We did not audit the financial statements / financial information of nineteen subsidiaries (including twelve step down subsidiaries), and one joint venture, whose financial statements / financial information reflect total assets of ₹ 8,819.60 million as at 31st March, 2019, total revenues of ₹ 9,130.18 million, net profit after tax of ₹ 459.95 million and net cash flows amounting to ₹ (-) 118.03 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements, in respect of a Joint Venture include the Group's share of net profit of ₹ 8.98 million, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of nine subsidiaries (including eight step down subsidiaries), whose financial statements / financial information reflect total assets of ₹ 445.88 million as at 31st March, 2019, total revenues of ₹ 764.31 million, net profit after tax of ₹ 28.58 million and net cash flows amounting to ₹ (-) 11.11 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors

and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other Auditors on separate financial statements / information of subsidiaries, unaudited financial statements / information referred to in the paragraph on "Other Matters", 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 financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive income), and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of internal financial controls over financial reporting of the Group 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 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 and based on the consideration of the report of the other auditors on the financial statements / information of the subsidiaries and its joint venture financial statements / information certified by the Management in the case of some subsidiaries, as noted in the paragraph on 'Other Matters':

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture– Refer Note 46 to the consolidated financial statements;

(ii) The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivatives contacts.

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and joint venture incorporated in India.

(h) With respect to the matter to be included in the Auditor's Report under section 197 (16):
In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and Indian subsidiaries where ever applicable to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W/W100197

J. P. Bairagra
Partner

Membership No.: 012839
Place : Mumbai
Dated : May 9, 2019

Annexure – A

To the Independent Auditors' Report

Annexure A to our report dated May 09, 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	Datamatics Staffing Services Limited	Step down Subsidiary
14	Techjini Inc	Step down Subsidiary
15	RJ Globus Solutions Inc	Step down Subsidiary
16	RJ Globus Inc	Step down Subsidiary
17	RJ Globus Solutions Private Limited	Step down Subsidiary
18	Cignex Datamatics Corporation	Step down Subsidiary
19	Cignex Datamatics Inc	Step down Subsidiary
20	Cignex Datamatics Technologies Limited	Step down Subsidiary
21	Cignex Datamatics Pte Limited	Step down Subsidiary
22	Cignex Datamatics GmbH	Step down Subsidiary
23	Cignex Datamatics UK Limited	Step down Subsidiary
24	Duo Consulting Inc	Step down Subsidiary
25	Attune Infocom Private Limited	Step down Subsidiary
26	Lumina Datamatics Limited	Subsidiary
27	Lumina Datamatics Inc	Step down Subsidiary
28	Lumina Datamatics GmbH	Step down Subsidiary
29	LDR eRetail Limited	Step down Subsidiary
30	Lumina Datamatics Assessment & Analytics, LLC	Step down Subsidiary
31	Cybercom Datamatics Information Solutions Limited	Joint Venture

Annexure – B

To the Independent Auditors' 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 **DATAMATICS GLOBAL SERVICES LIMITED** ("hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial control over financial reporting of the Holding company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and Joint Venture, 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 respective 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("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on, the Holding Company's and its subsidiary companies' incorporated in India, wherever applicable, and its Joint Venture'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, to the extent applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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 consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the paragraph on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture internal financial controls system over financial reporting.

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 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 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 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 and based on the opinion expressed in the report of other auditors, the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture 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 March 31, 2019, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture 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 M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W/W100197

J. P. Bairagra
Partner

Membership No.: 012839
Place : Mumbai
Dated : May 9, 2019

Consolidated Balance Sheet

as at March 31, 2019

(₹ in Millions)

Particulars	Note	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, Plant and Equipment	3	1,177.35	1,112.14
Capital work-in-progress	3	9.78	49.91
Goodwill	4	2,124.25	1,752.37
Other intangible assets	4	218.65	237.54
Intangible assets under development	4	3.20	-
Financial assets			
i. Investments	5	113.91	115.34
ii. Loans	6	0.29	3.69
iii. Other financial assets	7	165.86	134.91
Deferred tax assets	8(c)	24.91	139.94
Non-current tax assets (net)	9	163.06	99.65
Other non-current assets	10	7.15	11.46
Total non-current assets		**4,008.41**	**3,656.95**
Current assets			
Financial assets			
i. Investments	11	454.50	212.99
ii. Trade receivables	12	2,461.37	2,047.88
iii. Cash and cash equivalents	13	696.18	817.84
iv. Bank balances other than (iii) above	14	38.04	25.65
v. Loans	15	3.65	15.97
vi. Other financial assets	16	694.02	620.46
Current tax assets (net)	17	18.86	11.41
Other current assets	18	292.35	215.90
Total current assets		**4,658.97**	**3,968.10**
Total Assets		**8,667.38**	**7,625.05**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19(a)	294.75	294.75
Other equity	19(b)	6,104.81	5,169.05
Equity attributable to owners of Datamatics Global Services Limited		**6,399.56**	**5,463.80**
Non-controlling interests		393.67	363.64
Total equity		**6,793.23**	**5,827.44**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Other financial liabilities	20	9.47	2.35
Provisions	21	228.42	174.13
Total non-current liabilities		**237.89**	**176.48**
Current liabilities			
Financial liabilities			
i. Borrowings	22	358.79	657.95
ii. Trade payables	23		
Dues of Micro and small enterprises		0.12	-
Dues other than Micro and small enterprises		742.15	697.74
iii. Other financial liabilities	24	121.95	19.91
Provisions	25	36.86	37.88
Current tax liabilities (net)	26	54.92	16.48
Other current liabilities	27	321.47	191.17
Total current liabilities		**1,636.26**	**1,621.13**
Total liabilities		**1,874.15**	**1,797.61**
Total Equity and Liabilities		**8,667.38**	**7,625.05**
The accompanying notes forming an integral part of the financial statements	1-51		

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Millions)

Particulars	Note	March 31, 2019	March 31, 2018
Continuing operations			
Revenue from operations	28	11,334.90	9,102.69
Other income	29	108.12	244.32
Total income		**11,443.02**	**9,347.01**
Expenses			
Purchase of products and licenses	30	111.49	96.10
Employee benefit expenses	31	6,891.32	5,668.85
Finance costs	32	47.71	40.30
Depreciation and amortisation expenses	33	260.35	203.30
Other expenses	34	2,993.62	2,517.43
Total expenses		**10,304.49**	**8,525.98**
Profit before share of net profits of investments accounted for using the equity method and tax		**1,138.53**	**821.03**
Share of net profits of associates and joint ventures accounted for using the equity method		8.98	22.86
Profit before tax		**1,147.51**	**843.89**
Tax expense			
- Current tax	8(a)	284.89	113.20
- Deferred tax	8(a)	17.87	15.66
Total tax expense/(credit)		**302.76**	**128.86**
Profit from continuing operations		**844.75**	**715.03**
Share of Non controlling Interest in Profit for the year		99.68	74.18
Profit for the year		**745.07**	**640.85**

Consolidated statement of other comprehensive income (OCI) for the year ended March 31, 2019

(₹ in Millions)

Particulars	Note	March 31, 2019	March 31, 2018
Items that will be reclassified to profit or loss			
Cash flow hedges		83.54	(59.36)
Foreign currency translation reserve movement		179.12	(169.60)
Tax relating to above		(50.89)	25.00
		211.77	**(203.96)**
Items that will not be reclassified to profit or loss			
Fair value gain on FVOCI investments		1.64	(0.05)
Actuarial gains and losses		(9.95)	(9.57)
Tax relating to above		3.17	0.77
		(5.14)	**(8.85)**
		206.63	**(212.81)**
Share of Non Controlling interest in Other Comprehensive income		(17.83)	-
OCI for the year		**224.46**	**(212.81)**
Total comprehensive income for the year		**969.53**	**428.04**
Earnings per equity share (face value ₹ 5 each)	41		
- Basic (in ₹)		12.64	10.87
- Diluted (in ₹)		12.53	10.87

The accompanying notes forming an integral part of the financial statements 1-51

As per our attached report of even date

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

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Consolidated Statement of changes in equity

for the year ended March 31, 2019

A. Equity share capital

Particulars	₹ in Millions
As at March 31, 2017	**294.75**
Changes in equity share capital	-
As at March 31, 2018	**294.75**
Changes in equity share capital	-
As at March 31, 2019	**294.75**

B. Other equity

(₹ in Millions)

	Reserves and surplus						Other comprehensive income				Total other equity	Attributable to non-controlling interests	Total
	Securities premium	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve			
As at March 31, 2017	**1,080.08**	**2,637.21**	**11.91**	**585.88**	**(62.07)**	**494.28**	**2.68**	**(7.89)**	**84.51**	**(98.32)**	**4,728.27**	**208.31**	**4,936.58**
Profit for the year	-	640.85	-	-	-	-	-	-	-	-	**640.85**	74.18	**715.03**
Other comprehensive income	-	-	-	-	-	-	(0.05)	(8.80)	(34.37)	(169.60)	**(212.82)**	-	**(212.82)**
Acquisition of Subsidiary	-	86.43	-	-	-	-	-	-	-	-	**86.43**	38.12	**124.55**
Additional shares issued in subsidiary	-	-	-	-	-	-	-	-	-	-	**-**	26.49	**26.49**
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	**-**	16.54	**16.54**
- Proposed Dividend on Equity shares	-	(44.21)	-	-	-	-	-	-	-	-	**(44.21)**	-	**(44.21)**
- Interim Dividend on Equity shares	-	(29.47)	-	-	-	-	-	-	-	-	**(29.47)**	-	**(29.47)**
As at March 31, 2018	**1,080.08**	**3,290.81**	**11.91**	**585.88**	**(62.07)**	**494.28**	**2.63**	**(16.69)**	**50.14**	**(267.92)**	**5,169.05**	**363.64**	**5,532.69**
Profit for the year	-	745.07	-	-	-	-	-	-	-	-	**745.07**	99.68	**844.75**
Other comprehensive income	-	-	-	-	-	-	1.64	(6.22)	32.54	196.50	**224.46**	(17.83)	**206.63**
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	**-**	(7.43)	**(7.43)**
Purchase of Non controlling interest	-	(18.72)									**(18.72)**	(27.41)	**(46.13)**
Additional shares issued in subsidiary	-	-	9.52	-	-	-	-	-	-	-	**9.52**	-	**9.52**
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	**-**	(16.98)	**(16.98)**
Proposed Dividend on Equity shares	-	(14.73)	-	-	-	-	-	-	-	-	**(14.73)**	-	**(14.73)**
Interim Dividend on Equity shares	-	(9.84)	-	-	-	-	-	-	-	-	**(9.84)**	-	**(9.84)**
As at March 31, 2019	**1,080.08**	**3,992.59**	**21.43**	**585.88**	**(62.07)**	**494.28**	**4.27**	**(22.91)**	**82.68**	**(71.42)**	**6,104.81**	**393.67**	**6,498.48**

The accompanying notes forming an integral part of the financial statements

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Consolidated Cash flow statement

for the year ended March 31, 2019

(₹ in Millions)

	March 31, 2019	March 31, 2018
A. Cash flow from operating activities		
Profit before tax	1,138.53	821.03
Adjustments for :		
Depreciation and amortisation expense	260.35	203.30
Provision for doubtful debts, advances and investments	101.47	(21.02)
Liabilities / excess provision written back	(11.40)	(0.30)
Loss/(Profit) on sale fixed assets (net)	0.90	(0.94)
Finance cost	46.24	40.30
Employee stock option expenses	9.83	-
Unrealised gain on fair value of financial assets	(1.43)	(32.50)
Profit on sale of investments	(18.27)	(36.25)
Dividend income	(5.14)	(0.50)
Unrealised foreign exchange (gain) / loss	(5.12)	24.42
Interest income	(2.30)	(8.41)
Operating profit before working capital changes	**1,513.66**	**989.13**
Adjustments for :		
Increase in trade receivables	(522.70)	(426.53)
(Increase) / Decrease in loans	15.72	(7.39)
Decrease / (Increase) in other financial and non-financial assets	(100.28)	116.64
Increase in trade payables	45.38	30.70
Increase in other financial and non-financial liabilities	179.65	29.60
Cash generated from operations	**1,131.43**	**732.15**
Direct taxes paid (net)	(235.36)	(204.52)
Net cash flow from operating activities (A)	**896.07**	**527.63**
B. Cash flow from investing activities		
Purchase of fixed assets / capital work-in-progress	(265.08)	(504.86)
Sale of fixed assets	16.62	77.55
Payment towards acquisition of subsidiary / non controlling interest	(197.10)	(391.00)
Sale of long-term investments	12.38	192.16
(Purchase)/Sale of current investments	(222.18)	269.32
Dividend received	5.14	0.50
Interest received	2.46	8.26
Net cash flow used in investing activities (B)	**(647.76)**	**(348.07)**
C. Cash flow from financing activities		
Repayment of long-term borrowings	-	(342.30)
Issue of shares to Non controlling interest	-	(26.49)
Proceeds / (Repayment) of short-term borrowings	(299.16)	453.61
Dividend paid	(24.57)	(73.68)
Interest paid	(46.24)	(49.49)
Net cash flow used in financing activities (C)	**(369.97)**	**(38.35)**
Net cash flow during the year (A+B+C)	(121.66)	141.21
Cash and cash equivalents at the beginning of the year	817.84	676.63
Net cash and cash equivalents at the end of the year (Refer Note 13)	**696.18**	**817.84**

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Notes to the Consolidated Financial Statements

as at March 31, 2019

1. General Information

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Group was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Group converted itself from a Private Limited Group into a Public Limited Group and the name of the Group was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Group was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Group is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Group provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements:

Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements were approved by the Group's Board of Directors and authorised for issue on May 9, 2019.

b) Basis of Consolidation:

i) Subsidiaries

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2019 and as at March 31, 2018 are summarized below:

Name of the Subsidiary	2018 - 19		2017 - 18	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Inc	USA	100.00	USA	100.00
Datamatics Infotech Limited	UK	100.00	UK	100.00
Datamatics Global Services Pty. Limited	Australia	100.00	Australia	100.00
Datamatics Global Technologies Limited	Mauritius	100.00	Mauritius	100.00
Datamatics Global Technologies AG	Switzerland	100.00	Switzerland	100.00
Datamatics Global Services FZ LLC	U.A.E	100.00	U.A.E	100.00
Datamatics Global Technologies GmbH ^	Germany	100.00	Germany	100.00
Datamatics Global Services Corp	Philippines	100.00	Philippines	100.00
LD Publishing & eRetail Limited*	India	100.00	India	100.00
Datamatics Digital Limited	India	81.10	India	71.10
Techjini Inc	USA	81.10	USA	71.10
Datamatics Staffing Services Limited@	India	41.36	-	-
Datamatics Robotics Software Inc	USA	100.00	USA	100.00
Datamatics Robotics Software Limited#	India	100.00	-	-
RJ Globus Solutions Inc@	Philippines	75.00	-	-
RJ Globus Inc#	USA	75.00	-	-
RJ Globus Solutions Private Limited#	India	75.00	-	-
Cignex Datamatics Corporation	BVI	61.80	BVI	59.11
Cignex Datamatics Inc	USA	61.80	USA	59.11
Cignex Datamatics Technologies Limited	India	61.80	India	59.11
Cignex Datamatics Pte. Limited	Singapore	61.80	Singapore	59.11
Cignex Datamatics GmbH	Germany	61.80	Germany	59.11
Cignex Datamatics UK Limited	UK	61.80	UK	59.11
Duo Consulting, Inc.	USA	40.79	USA	39.01
Attune Infocom Private Limited	India	31.52	India	30.15
Scalsys Technologies Private Limited	-	-	India	30.15
Lumina Datamtics Limited	India	98.00	India	98.00
LDR eRetail Limited	India	98.00	India	98.00
Lumina Datamatics Inc	USA	98.00	USA	98.00
Lumina Datamatics GmbH	Germany	98.00	Germany	98.00
Lumina Datamatics Assessment and Analytics, LLC	USA	63.70	USA	63.70

^ Under liquidation
@ Acquired during the year
# incorporated during the year
* Strike off

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

The financial statements of the Parent Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

Non controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non controlling shareholders at the dates on which investments are made by the Parent Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

The Parent Group and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with GAAP prevalent in their respective countries of domicile.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of charge of depreciation on fixed assets and other insignificant items for which the accounting treatment is given on the basis of local laws applicable in the respective country, for which using uniform accounting policies for the purpose of consolidation is impracticable.

ii) Joint ventures

Interests in joint ventures are accounted for using the Equity method, after initially being recognised at cost in the consolidated balance sheet.

Name of the Joint Venture	2018 - 19		2017 - 18	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Cybercom Datamatics Information Solutions Limited	India	50.50	India	50.50

Equity Method :

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

iii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;
- defined benefit plans – plan assets measured at fair value.

iv) Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has establish policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

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c) Use of Estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known/ materialized.

d) Foreign currency translation

i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

ii) Transactions, balances and translation

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period. Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve. Exchange Difference arising on investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

e) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue from the sale of distinct internally developed software and third party software is recognised upfront at the point in time when the software is delivered to the customer. In cases where impementation servises rendered significantly modifies or customise the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performace bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Cost and earnings in excess of billings are classifed as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue. Discount is recognised on cash basis in accordance with the contractual term of the agreement with the customers.

Effective April 1, 2018, the Group has applied Ind AS 115 Revenue from contracts with customers which establishes comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

f) Income tax

Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Current income taxes

The current tax expense include income tax expense payable by the Group. The current tax payable by the Group is income tax payable on worldwide income after taking credit for tax exemption available for export operation in Special Economic Zone (SEZs).

Current income taxes payable by overseas subsidiaries is computed in accordance with tax laws applicable in the jurisdiction in which the respective subsidiaries operates.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in some tax jurisdictions.

Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where an entity in the Group 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 it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

g) Leases

Finance Lease

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

h) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

i) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k) Investments and other financial assets

i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost :** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments, at fair value (except investment in joint venture which is valued at cost less impairment losses, if any). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

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as at March 31, 2019

v) **Income recognition**

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group 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.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

l) **Derivatives and hedging activities**

The Group uses foreign currency forward contracts to hedge it's risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments.The Group does not use the forward contract for speculative purposes. The Group designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised through other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

m) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

n) **Property, Plant and Equipment**

Property, Plant and Equipments are valued at cost, except for certain Property, Plany and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

o) **Intangible assets**

i) **Goodwill**

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Goodwill on consolidation of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete fees acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

iv) Other Intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

v) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Goodwill	Nil
Patents, Trademarks, Copyrights	3 - 5 years
Cutomer contracts	3 years
Computer Software	3 years
Other intangible assets	3 years

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) Borrowing costs

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

s) Provision, Contingent Liabilities and Contingent Assets

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.

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as at March 31, 2019

t) Employee benefits

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.

In case of Parent Group and its Indian Subsidiaries; (i) Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liability towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

Foreign subsidiaries maintain a defined contribution retirement plan, which covers substantially all the employees of the foreign subsidiaries and qualifies as a deferred salary arrangement under laws of respective countries. The Group matches employees' contributions at the discretion of the Group.

u) 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.

v) Earnings per share

In determining Earnings per Share, the Group considers the net profit attributable to Group's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

w) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019.

i) Ind AS - 116 : Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the uderlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially appliying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using lessee's inceremtal borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which underlying asset is of low value.

With effect from April 1, 2019, the Group will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability. The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

ii) Ind AS 12 : Income taxes (amendments relating to income tax consequenses of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an Group shall recognise the income tax consequenses of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. The amendment does not amend the situations where the Group pays a tax on dividend which is effectively a portion of dividend paid to taxation authorities on behalf of shareholders.

iii) Ind AS 109 : Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative

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as at March 31, 2019

compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

iv) **Ind AS 19 : Plan amendment, curtailment or settlement**

The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

v) **Ind AS 23 : Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes the part of the funds that Group borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

vi) **Ind AS 103 : Business Combinations and Ind AS 111 : Joint Arrangements**

The amendments to Ind AS 103 relating to remeasurement clarify that when Group obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when Group obtains joint control of a business that is a joint operation, the Group does not re-measure previously held interests in that business. The Group will apply pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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3. Property, plant and equipment

(₹ in Millions)

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
Gross block										
As at March 31, 2017	**302.85**	**270.30**	**178.60**	**92.84**	**101.86**	**144.08**	**123.99**	**15.53**	**1,230.05**	**12.42**
Additions	-	-	2.49	13.54	78.81	61.37	11.96	5.59	**173.76**	65.99
Disposals / derecognised	-	-	-	(0.21)	(12.63)	(35.04)	(4.23)	(0.82)	**(52.93)**	(28.50)
Exchange differences	-	-	-	0.07	0.08	0.46	0.19	-	**0.80**	-
As at March 31, 2018	**302.85**	**270.30**	**181.09**	**106.24**	**168.12**	**170.87**	**131.91**	**20.30**	**1,351.68**	**49.91**
Additions	-	-	0.37	27.55	51.98	31.74	22.83	7.77	**142.23**	-
Acquisitions (business combination)	-	-	2.49	61.75	40.93	2.54	15.38	-	**123.09**	-
Disposals / derecognised	-	-	-	(1.96)	(0.74)	(7.39)	(1.41)	(1.41)	**(12.91)**	(40.13)
Exchange differences	-	-	-	9.63	(8.59)	3.01	4.83	0.04	**8.93**	-
As at March 31, 2019	**302.85**	**270.30**	**183.95**	**203.21**	**251.70**	**200.77**	**173.54**	**26.70**	**1,613.02**	**9.78**

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
Accumulated depreciation										
As at March 31, 2017	**-**	**4.68**	**6.22**	**4.56**	**29.03**	**64.68**	**24.00**	**3.07**	**136.24**	**-**
Depreciation charge during the year	-	4.68	5.73	6.39	20.73	41.85	20.38	3.87	**103.63**	-
Disposals / derecognised	-	-	-	(0.11)	(0.23)	(0.01)	(0.18)	(0.55)	**(1.08)**	-
Exchange differences	-	-	-	0.05	0.10	0.42	0.18	-	**0.75**	-
As at March 31, 2018	**-**	**9.36**	**11.95**	**10.89**	**49.63**	**106.94**	**44.38**	**6.39**	**239.54**	**-**
Depreciation charge during the year	-	4.68	1.63	21.90	63.01	47.18	22.23	3.44	**164.07**	-
Acquisitions (business combination)	-	-	0.60	16.91	13.66	2.22	3.40	-	**36.78**	-
Disposals / derecognised	-	-	-	(0.11)	(0.22)	(4.70)	(0.10)	(0.65)	**(5.79)**	-
Exchange differences	-	-	-	(0.22)	(0.89)	2.12	0.04	0.02	**1.07**	-
As at March 31, 2019	**-**	**14.04**	**14.18**	**49.37**	**125.17**	**153.76**	**69.95**	**9.20**	**435.67**	**-**
Net carrying amount as at March 31, 2019	**302.85**	**256.26**	**169.77**	**153.85**	**126.53**	**47.01**	**103.59**	**17.50**	**1,177.35**	**9.78**
Net carrying amount as at March 31, 2018	**302.85**	**260.94**	**169.14**	**95.35**	**118.49**	**63.93**	**87.53**	**13.91**	**1,112.14**	**49.91**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

4. Intangible Assets

(₹ in Millions)

Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill	Intangible assets under development
Gross block									
As at March 31, 2017	**134.47**	**29.66**	**8.35**	**-**	**16.17**	**6.09**	**194.74**	**1,438.94**	**-**
Additions	211.40	-	-	0.02	39.98	-	**251.40**	457.77	-
Disposals / derecognised	(36.65)	-	-	-	-	-	**(36.65)**	(143.92)	-
Exchange differences	0.34	-	-	-	0.81	0.56	**1.71**	11.31	-
As at March 31, 2018	**309.56**	**29.66**	**8.35**	**0.02**	**56.96**	**6.65**	**411.20**	**1,764.10**	**-**
Additions	71.47	-	-	1.89	-	-	**73.36**	249.32	3.20
Acquisitions (business combination)	0.27	-	-	-	-	-	**0.27**	-	-
Disposals / derecognised	(10.10)	-	-	(0.49)	-	-	**(10.59)**	-	-
Exchange differences	14.03	-	-	-	1.12	(0.63)	**14.52**	132.58	-
As at March 31, 2019	**385.23**	**29.66**	**8.35**	**1.42**	**58.08**	**6.02**	**488.76**	**2,146.00**	**3.20**

Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill	Intangible assets under development
Accumulated amortisation and impairment									
As at March 31, 2017	**63.75**	**8.73**	**2.39**	**-**	**16.17**	**2.34**	**93.38**	**0.55**	**-**
Amortisation charge during the year	68.63	6.70	1.87	-	9.99	1.35	**88.54**	11.13	-
Disposals / derecognised	(9.60)	-	-	-	-	-	**(9.60)**	-	-
Exchange differences	0.40	-	-	-	0.81	0.13	**1.34**	0.05	-
As at March 31, 2018	**123.18**	**15.43**	**4.26**	**-**	**26.97**	**3.82**	**173.66**	**11.73**	**-**
Amortisation charge during the year	64.41	6.70	1.87	0.31	13.33	0.43	**87.05**	9.22	-
Acquisitions (business combination)	0.16	-	-	-	-	-	**0.16**	-	-
Disposals / derecognised	(0.09)	-	-	(0.10)	-	-	**(0.19)**	-	-
Exchange differences	9.14	-	-	-	1.12	(0.83)	**9.43**	0.80	-
As at March 31, 2019	**196.80**	**22.13**	**6.13**	**0.21**	**41.42**	**3.42**	**270.11**	**21.75**	**-**
Net carrying amount as at March 31, 2019	**188.43**	**7.53**	**2.22**	**1.21**	**16.66**	**2.60**	**218.65**	**2,124.25**	**3.20**
Net carrying amount as at March 31, 2018	**186.38**	**14.23**	**4.09**	**0.02**	**29.99**	**2.83**	**237.54**	**1,752.37**	**-**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

5. Non-current investments

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Investment in equity instruments (fully paid-up)		
Quoted (at Fair Value through OCI) (FVOCI)		
18,234 (P.Y. 13,676) fully paid Equity Shares of ₹ 2 each of Wipro Limited	4.65	3.85
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.09	0.06
800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.54	0.59
8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.13	2.56
38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	7.67	7.51
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	3.89	2.55
1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	2.49	2.36
900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.04	0.05
35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.39	0.73
56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation	0.77	0.92
Investment in debentures		
Quoted (at Fair Value through Profit & Loss) (FVTPL)		
Nil (P.Y. 100) Units of ₹ 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	-	11.89
Investment in equity instruments		
Unquoted (at cost)		
In Joint venture		
428,390 (P.Y. 428,390) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	76.25	67.27
Investment in preference shares		
Unquoted (at Fair Value through Profit & Loss)		
1,500,000 (P.Y. 1,500,000) 8% Compulsorily Convertible Redeemable Non-Cumulative Non- Participating Preference Shares of HandyTraining Technologies Private Limited of ₹ 10 each	15.00	15.00
Total	**113.91**	**115.34**
Aggregate amount of quoted investments	22.66	33.07
Aggregate amount of unquoted investments	91.25	82.27
Aggregate market value of quoted investments	22.66	33.07

6. Non-current loans

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to employees	0.29	3.69
Total	**0.29**	**3.69**

7. Other non-current financial assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Security deposits	108.95	93.85
Less: Allowances for doubtful deposits	(6.17)	-
Fixed deposits	0.40	-
Fair value of outstanding corporate guarantees (FVTPL)	8.92	-
Fair value of outstanding forward contracts (FVOCI)	53.76	41.06
Total	**165.86**	**134.91**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

8. Taxation

(a) Income tax expense

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Current tax		
Current tax on profits for the year	295.18	115.38
Adjustments for current tax of prior periods	(10.29)	(2.18)
Total current tax expense	**284.89**	**113.20**
Deferred tax		
Decrease/(increase) in deferred tax assets	11.26	15.66
Adjustments for deferred tax of prior periods	6.61	-
Total deferred tax expense/(benefit)	**17.87**	**15.66**
Income tax expense	**302.76**	**128.86**

(b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Profit for the year	1,147.53	843.89
Tax expense at applicable tax rate	328.87	269.99
Effects of:		
Items not deductible for tax	6.96	(17.38)
Tax holiday and Exempt income	(32.71)	(33.31)
(Gain)/Loss in respect of which deferred tax (liability) / asset not recognized	-	(43.63)
Recognition of unutilized tax benefits / Unrecognized losses utilized	(35.28)	(8.25)
Taxable due to change in tax base	(2.73)	(7.46)
Basis difference that will reverse during tax holiday period	-	(0.04)
Undistributed earnings	25.20	(19.87)
Income taxed at higher / (lower) rates	(4.28)	5.14
Change in tax rate and law	2.44	(21.17)
Adjustments for current tax of prior periods	(3.68)	(2.18)
Others, net	17.97	7.02
Income tax expense	**302.76**	**128.86**

(c) Deferred tax assets

The balance comprises temporary differences attributable to:

(₹ in Millions)

Particulars	March 31, 2018	Recognized in Income statement	Recognized in OCI Recognized in Income statement	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2019
Deferred Tax Assets					
Employee benefits	72.45	11.23	3.12	0.88	87.68
Provision for doubtful debts	65.71	5.84	-	0.29	71.84
Investment In subsidiaries	(3.10)	5.14	-	0.01	2.05
MAT credit	88.30	(0.86)	-	(81.09)	6.35
Net operating losses	10.02	(0.86)	-	1.46	10.62
Others	16.17	4.50	-	0.01	20.66
Total Deferred Tax Assets	**249.55**	**24.99**	**3.12**	**(78.46)**	**199.20**
Deferred Tax Liabilities					
Depreciation	16.76	14.73	-	(0.83)	30.66
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	2.43	3.39	(0.06)	0.01	5.77
Cash flow hedging	20.42	-	50.90	(31.91)	39.41
Undistributed earnings	69.55	25.20	-	3.68	98.43
Others	0.45	(0.46)	-	0.03	0.02
Total Deferred Tax Liabilities	**109.61**	**42.86**	**50.84**	**(29.02)**	**174.29**
Net Deferred Tax	**139.94**	**(17.87)**	**(47.72)**	**(49.44)**	**24.91**

Note : The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, MAT credit creation/utilisation, acquisition during the period and foreign currency translation.

Current loans

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

9. Non-current tax assets (net)

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	163.06	99.65
Total	**163.06**	**99.65**

10. Other non-current assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Capital advances	5.93	-
Other advances -		
Prepaid expenses	0.78	2.83
Balance with govt authorities	0.05	8.02
Other assets	0.39	0.61
Total	**7.15**	**11.46**

11. Current investments

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Investment in mutual funds		
Quoted (at FVTPL)		
205,295 (P.Y. 465,210) Units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	14.71	30.69
298,051 (P.Y. 175,039) Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	82.09	44.88
280,636 (P.Y. 280,636) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	8.67	9.75
2,563,272 (P.Y. 1,960,938) Units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	55.73	39.17
375,340 (P.Y. 375,340) Units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	4.78	4.46
133,518 (P.Y. 133,518) Units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.54	4.48
24,130 (P.Y. 19,140) Units of Reliance Liquid fund - TP - Growth (Face Value of ₹ 1,000 each)	109.53	79.56
7,118,577 (P.Y. Nil) Units of Franklin India Ultra Short Bond Fund - SIP - Daily Dividend (Face Value of ₹ 10 each)	73.42	-
365,487 (P.Y. Nil) Units of ICICI Prudential Liquid fund - Direct - Growth (Face Value of ₹ 100 each)	101.03	-
Total	**454.50**	**212.99**
Aggregate amount of quoted investments	454.50	212.99
Aggregate market value of quoted investments	454.50	212.99

12. Trade receivables

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Unsecured (Refer Note No. 42)		
Considered Good	2,480.66	2,047.88
Less :- Allowance for doubtful trade receivable (Refer Note No. 36)	19.29	-
	2,461.37	2,047.88
Credit impaired	256.71	272.97
Less :- Allowance for doubtful trade receivable (Refer Note No. 36)	256.71	272.97
	-	-
Total	**2,461.37**	**2,047.88**

13. Cash and cash equivalents

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Bank balances	681.79	814.62
Cash on hand	3.64	2.72
Cheques in transit	10.75	0.50
Total	**696.18**	**817.84**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

14. Other bank balances

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Margin money deposits*	36.25	23.78
Unpaid dividend account **	1.75	1.87
Total	**38.04**	**25.65**

* Of the above ₹ 36.29 million (as at March 31, 2018: ₹ 23.78 million) are marked as lien for guarantees issued by banks on behalf of the Group.

** The Group can utilise balances only towards settlement of the unpaid dividend.

15. Current loans

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
(Unsecured, Considered Good, unless specified otherwise)		
Others -		
Loan to employees	3.65	15.97
Total	**3.65**	**15.97**

16. Other current financial assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Security deposits	8.01	0.17
Advances to related parties	3.82	42.50
Others -		
Interest accrued	0.06	0.22
Fair value of outstanding forward contracts (FVOCI)	67.42	-
Unbilled revenue	614.71	577.57
Total	**694.02**	**620.46**

17. Current tax assets (net)

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	18.86	11.41
Total	**18.86**	**11.41**

18. Other current assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Balance with govt authorities	92.70	56.74
Prepaid expenses	139.23	119.69
Advance to vendors	28.40	13.41
Advance to employees	32.02	26.06
Total	**292.35**	**215.90**

19. Share capital and other equity

(a) Equity share capital

(i) Authorised equity share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**104,000,000**	**520.00**
Increase during the year	-	-
As at March 31, 2018	**104,000,000**	**520.00**
Increase during the year	-	-
As at March 31, 2019	**104,000,000**	**520.00**

(ii) Authorised redeemable preference share capital of face value of ₹ 10 each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**45,550,000**	**455.50**
Increase during the year	-	-
As at March 31, 2018	**45,550,000**	**455.50**
Increase during the year	-	-
As at March 31, 2019	**45,550,000**	**455.50**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

(iii) Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**58,949,337**	**294.75**
Increase during the year	-	-
As at March 31, 2018	**58,949,337**	**294.75**
Increase during the year	-	-
As at March 31, 2019	**58,949,337**	**294.75**

(iv) Movements in equity share capital

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**58,949,337**	**294.75**
Other movements	-	-
As at March 31, 2018	**58,949,337**	**294.75**
Other movements	-	-
As at March 31, 2019	**58,949,337**	**294.75**

(v) Shares of the company held by holding company

₹ in Millions

Particulars	March 31, 2019	March 31, 2018
31,813,742 (P.Y. 31,813,742) Equity shares of ₹ 5 held by Delta Infosolutions Private Limited	159.07	159.07

(vi) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,477,995	5.90%	3,530,995	5.99%
Asha Lalit Kanodia	3,305,258	5.61%	3,605,258	6.12%

(vii) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 9, 2019 proposed a Dividend of ₹ 1.00 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend declared for the year ended March 31, 2019 amounted to ₹ 58.95 million and corporate dividend tax of ₹ 9.92 million.

(b) Other equity

(₹ in Millions)

Particulars		March 31, 2019	March 31, 2018
Securities premium	Refer Note (i) below	1,080.08	1,080.08
Retained earnings		3,992.59	3,290.81
ESOP reserve	Refer Note (ii) below	21.43	11.91
General reserve	Refer Note (iii) below	585.88	585.88
Capital reserve	Refer Note (iv) below	(62.07)	(62.07)
Capital redemption reserve	Refer Note (v) below	494.28	494.28
OCI -			
Equity investments	Refer Note (vi) below	4.27	2.63
Actuarial gains and losses		(22.91)	(16.69)
Cash flow hedging reserve	Refer Note (vii) below	82.68	50.14
Foreign currency translation reserve	Refer Note (viii) below	(71.42)	(267.92)
Total		**6,104.81**	**5,169.05**

Nature of reserves

(i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) ESOP Reserve

ESOP reserve is created for issue of share capital under RSU plan.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

(iii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(iv) Capital Resserve

Capital reserve created on the merger of one of the subsidiaries with the company. Also Goodwill on common control transaction is adjusted against capital reserve.

(v) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when Group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(vi) OCI - Equity investments

The Group recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

(vii) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

(viii) OCI - Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

20. Other non-current financial liabilities

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Creditor for capital expenditure	0.55	0.55
Fair value of outstanding corporate guarantees (FVTPL)	8.92	-
Fair value of outstanding forward contracts (FVOCI)	-	1.80
Total	**9.47**	**2.35**

21. Non-current Provisions

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.49)		
Provisions for employee benefits		
Gratuity	149.13	114.41
Leave encashment	79.29	59.72
Total	**228.42**	**174.13**

22. Current borrowings

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Working capital loan		
From Directors (Unsecured)	18.10	-
From Banks (Secured)*	78.19	307.95
From Others (Secured)*	262.50	350.00
Total	**358.79**	**657.95**

* Notes :

Working capital loans from Standard Chartered Bank, ICICI Bank, Silicon Valley Bank USA and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the company hence considered as current borrowings.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

23. Trade payables

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Dues of Micro and small enterprises	0.12	-
Dues other than Micro and small enterprises	742.15	697.74
Total	**742.27**	**697.74**

Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stiputlated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
(a) Dues remaining unpaid		
- Principal	0.13	-
- Interest on above*	0.01	-
(b) Interest paid in terms of Section 16 of MSMED Act		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accured and unpaid*	-	-

* The Group has not provided any interest on the amount oustanding beyond stipulated period.

24. Other current financial liabilities

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Fair value of contingent consideration	96.13	-
Unpaid dividend	1.75	1.87
Other payables	24.07	18.04
Total	**121.95**	**19.91**

25. Current Provisions

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.49)		
Provisions for employee benefits		
Gratuity	22.29	11.64
Leave encashment	14.57	26.24
Total	**36.86**	**37.88**

26. Current tax liabilities (net)

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	54.92	16.48
Total	**54.92**	**16.48**

27. Other current liabilities

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Statutory dues	142.44	111.21
Advance received from customers	21.82	-
Unearned revenue	157.21	79.96
Total	**321.47**	**191.17**

28. Revenue from operations

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Sales -export	7,699.48	6,863.54
Sales -domestic	3,635.42	2,239.15
Total	**11,334.90**	**9,102.69**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

29. Other income

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Interest income	2.30	8.41
Dividend income	5.14	0.50
Profit on sale of investments carried out FVTPL	18.27	36.25
Guarantee fees received	1.00	1.00
Profit on sale of fixed assets	-	0.94
Unrealised gains on fair value of financial assets	1.43	32.50
Exchange gain (net)	23.45	148.10
Provision no longer required written back	1.62	-
Miscellaneous receipts	54.91	16.62
Total	**108.12**	**244.32**

30. Purchase of products and licenses

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Purchase of IT products and licenses	111.49	96.10
Total	**111.49**	**96.10**

31. Employee benefit expenses

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Salary, wages & allowances	6,466.91	5,303.64
Contribution towards provident & other funds (Refer Note No. 49)	248.82	215.23
Share based compensation (Refer Note No. 44)	9.83	-
Staff welfare expense	165.76	149.98
Total	**6,891.32**	**5,668.85**

32. Finance costs

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Interest on loan from banks	39.82	27.95
Interest on loan others	6.42	7.77
Other borrowing costs	1.47	4.58
Total	**47.71**	**40.30**

33. Depreciation and Amortisation Expenses

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Depreciation on property palnt and equipment	164.07	103.63
Impairement of goodwill	9.22	11.13
Amortisation on intangible assets	87.06	88.54
Total	**260.35**	**203.30**

34. Other expenses

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
IT infrastructure & development cost	54.07	21.54
Technical fees	953.13	852.41
Outsourcing cost	240.35	194.57
Travelling expenses	384.59	385.48
Recruitment charges	58.53	63.25
Rent	248.57	194.58
Electricity expenses	123.49	103.71
Communication charges	109.86	85.47
Rates & taxes	35.68	21.46
Water charges	2.15	2.04
Legal & professional expenses	195.62	167.73
Audit fees	12.49	14.67
Link charges	52.38	41.66

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

(₹ in Millions)

Particulars		March 31, 2019	March 31, 2018
Insurance		29.87	26.89
Vehicle expenses		10.34	7.28
Repairs & maintenance expenses		142.06	139.31
Hire charegs		45.76	36.71
Printing & stationery		29.88	30.53
Subscription expenses		26.28	20.01
Bank charges		11.92	9.41
Board sitting fees		1.20	0.92
Advertisement expenses		15.31	19.86
Sales promotion		40.61	50.42
Sales commission		11.36	9.75
Security charges		28.48	22.01
Loss on sale of assets (Net)		0.90	-
Bad debts	47.69		
Less: Provision for doubtful debts written back	(24.97)	22.72	11.66
Provision / (reversal) for doubtful debts and advances		78.75	(32.68)
Expenditure on CSR		1.21	1.48
Miscellaneous expenses		26.06	15.30
Total		**2,993.62**	**2,517.43**

35. Fair value measurements

(₹ in Millions)

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	454.50	-	-	212.99	-	-
- Debentures	-	-	-	11.89	-	-
- Equity instruments (Other than investment in JV)	-	22.66	-	-	21.18	-
- Preference shares	15.00	-	-	15.00	-	-
Trade receivables	-	-	2,461.37	-	-	2,047.88
Cash and cash equivalents and other bank balances	-	-	734.22	-	-	843.49
Security deposit	-	-	110.79	-	-	94.02
Fair value of outstanding forward contracts	-	121.18	-	-	41.06	-
Loan to employees	-	-	3.94	-	-	19.66
Unbilled revenue	-	-	614.71	-	-	577.57
Other receivables	-	-	13.20	-	-	42.72
Total financial assets	**469.50**	**143.84**	**3,938.23**	**239.88**	**62.24**	**3,625.34**
Financial liabilities						
Borrowings	-	-	358.79	-	-	657.95
Trade payables	-	-	742.27	-	-	697.74
Creditor for capital expenditure	-	-	0.55	-	-	0.55
Fair value of outstanding forward Contracts	-	-	-	-	1.80	-
Other payables	-	-	130.87	-	-	19.91
Total financial liabilities	**-**	**-**	**1,232.48**	**-**	**1.80**	**1,376.15**

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	454.50	-	-	**454.50**
Preference shares	-	-	15.00	**15.00**
Financial Investments at FVOCI				
Equity instruments	22.66	-	-	**22.66**
Outstanding forward contracts	-	121.18	-	**121.18**
Total financial assets	**477.16**	**121.18**	**15.00**	**613.34**

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	212.99	-	-	**212.99**
Debentures	11.89	-	-	**11.89**
Preference shares	-	-	15.00	**15.00**
Financial Investments at FVOCI				
Equity instruments	21.18	-	-	**21.18**
Outstanding forward contracts	-	41.06	-	**41.06**
Total financial assets	**246.06**	**41.06**	**15.00**	**302.12**
Financial liabilities				
Outstanding forward contracts	-	1.80	-	**1.80**
Total financial liabilities	**-**	**1.80**	**-**	**1.80**

There are no transfers between levels 1 and 2 during the year.

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in Millions)

Particulars	Amount
Balance as on March 31, 2017	**50.59**
Change in the value	(35.59)
Balance as on March 31, 2018	**15.00**
Change in the value	-
Balance as on March 31, 2019	**15.00**

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

* the use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, bank balances, unbilled revenue and other financial assets are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

36. Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

Credit risk management

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of such trade receivables as shown in Note 12 of the financials.

Reconciliation of loss allowance provision – Trade receivables

(₹ in Millions)

Particulars	Amount
Loss allowance on March 31, 2017	**306.04**
Changes in loss allowance	(33.07)
Loss allowance on March 31, 2018	**272.97**
Changes in loss allowance	(16.26)
Loss allowance on March 31, 2019	**256.71**

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

C) Market risk

i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Grop's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.

a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2019 and March 31, 2018 are given below :

Particulars	Currency	March 31, 2019		March 31, 2018	
		Foreign Currency	₹ in Millions	Foreign Currency	₹ in Millions
Receivables	USD	5.80	402.61	9.80	638.99
	GBP	1.36	122.37	1.54	128.54
	EUR	0.76	60.09	0.99	80.22
	CHF	0.27	18.75	0.51	34.85
	AUD	0.53	26.24	0.47	23.66
	AED	-	-	0.08	1.35
	CAD	0.01	0.51	0.05	2.71
	SEK	0.19	1.40	0.14	1.10
	ZAR	0.00	0.23	-	-
Payables	USD	1.40	96.75	0.23	15.04
	EUR	0.01	1.03	0.01	0.98
	CHF	0.01	0.44	0.02	1.68
	GBP	0.07	6.16	0.05	4.49
	AED	0.00	0.00	-	0.05
Loans	USD	-	-	1.74	113.60

b) Sensitivity

The Group is mainly exposed to changes in USD, GBP, CHF, AED and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AED and Euro exchange rates, with all other veriables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
USD	19.72	25.53
GBP	6.01	6.20
EUR	2.95	3.96
CHF	0.92	1.66
SGD	0.01	-
AUD	1.31	1.16
CAD	0.03	-
SEK	0.07	-

* Holding all other variables constant

ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2019 and March 31, 2018, the Group's borrowings at variable rate were mainly denominated in INR and USD .

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

a) Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings	55.31	307.95
Fixed rate borrowings	303.48	350.00
Total borrowings	**358.79**	**657.95**

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2019			March 31, 2018		
	Weighted average intere strate %	Balance (₹ in Millions)	% of total loans	Weighted average interest rate %	Balance (₹ in Millions)	% of total loans
ECB and PCFC Loans	-	-	-	4.07%	113.93	17.32%
Demand Loan	4.38%	55.31	15.42%	4.20%	194.02	29.00%

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 70 basis points (70 bps) *	(0.39)	(2.16)
Interest rates – decrease by 70 basis points (70 bps) *	0.39	2.16

* Holding all other variables constant

iii) Price risk

a) Exposure

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are publicly traded.

37. Capital management

a) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturirites of non current borrowings.

(₹ in Millions)

	March 31, 2019	March 31, 2018
Borrowings	358.79	657.95
Total equity	6,793.23	5,827.44
Borrowings to equity ratio	**0.05**	**0.11**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

b) Dividends

(₹ in Millions)

	March 31, 2019	March 31, 2018
(i) Equity shares		
Final dividend for the year ended March 31, 2018 of ₹ 0.25 (March 31, 2017 – ₹ 0.75) per fully paid share	14.74	44.21
Interim dividend for the year ended March 31, 2019 of Nil (March 31, 2018 – ₹ 0.50) per fully paid share	-	29.47
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.00 per fully paid equity share (March 31, 2018 – ₹ 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	58.95	14.74

38. Segment information

Description of segments and principal activities

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 businesse units, which form the operating segments for segment reporting.

The operating segments are :

a. IT Services

b. Business Process Management (BPM)

(₹ in Millions)

Particulars	March 31, 2019			March 31, 2018		
	IT	BPM	Total	IT	BPM	Total
Revenue	6,497.66	4,837.24	11,334.90	4,962.09	4,140.60	9,102.69
Identifiable expenses	5,768.15	4,228.28	9,996.43	4,538.26	3,744.12	8,282.38
Segment results	729.51	608.96	1,338.47	423.83	396.48	820.31
unallocable expenses			308.06			243.60
Share in profit of JV			8.98			22.86
Other income			108.12			244.32
Profit before taxes			1,147.51			843.89
Tax expenses			302.76			128.86
Profit after tax			844.75			715.03

Segment Assets and Liabilities

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

Geographic Segment

Revenue attributable to the location of the customers is as follows :

(₹ in Millions)

Geographic Location	March 31, 2019	March 31, 2018
USA	7,039.09	5,571.80
Europe	2,076.15	1,595.34
Rest of World	2,219.66	1,935.55
Total	**11,334.90**	**9,102.69**

39. Business combinations

Summary of acquisitions

(i) On April 7, 2018 the parent entity acquired 75.00% of the issued share capital of RJ Globus Solutions Inc (RJ Globus). The principal activities of the company is to engage in call centre and BPO services, inbound and outbound and data processing.

(ii) On March 17, 2019 one of the subsidiary, Datamatics Digital Limited acquired 51.00% of the issued share capital of Datamatics Staffing Services Limited (DSSL).

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in Millions)

Particulars	RJ Globus	DSSL
	Amount	Amount
Cash paid	30.40	74.46
Contingent Consideration	32.55	-
Purchase consideration	**62.95**	**74.46**

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in Millions)

Particulars	RJ Globus	DSSL
	Amount	Amount
Property, plant & equipments	58.79	2.60
Security deposits	17.59	0.43
Deferred tax asset	-	1.84
Trade receivables	16.26	12.36
Cash & Bank Balances	1.86	2.38
Liquid Investments	-	1.59
Advance tax payment (net of provision)	(0.95)	3.19
Loans & advances	1.56	1.23
Customer advance	-	(0.25)
Employee benefits provision	-	(4.30)
Trade payables	(35.64)	(1.08)
Borrowings	(76.69)	(18.10)
Statutory liabilities	(16.91)	(1.69)
Unearned revenue	(15.61)	-
Net identifiable assets acquired	**(49.74)**	**0.20**

Calculation of goodwill

(₹ in Millions)

Particulars	RJ Globus	DSSL
	Amount	Amount
Consideration transferred	62.95	74.46
Non-controlling interest in the acquired entity	(12.44)	(5.00)
Net identifiable assets acquired	49.74	(0.20)
Goodwill	**100.25**	**69.26**

Acquisition related costs

Acquisition related costs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

(iii) On March 19, 2019 the parent entity acquired additional 10.00% in Datamatics Digital Limited (DDL).

(₹ in Millions)

Particulars	Amount
Opening net assets	177.94
Profit for the period ended March 18, 2019	96.13
Net worth as at acquisition date	274.07
Additional stake of 10%	27.41
Purchase consideration	55.00
Capital Reserve / (Goodwill)	(27.59)

There is a change in contingent consideration payable to the non-controlling interest of DDL.

Reconciliation of contingent consideration

(₹ in Millions)

Particulars	Amount
Contingent consideration on March 31, 2018	**159.00**
Change on account of change in consideration	12.00
Change on account of acquisition of additional stake*	(55.00)
Contingent consideration on March 31, 2019	**116.00**

*Including amount shown in Non-controlling interest of ₹ 52.36 million.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

40. Interests in joint venture

a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2019 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Millions)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2019	March 31, 2018
Cybercom Datamatics Information Solutions Limited	India	50.50%	Joint venture	Equity	76.25	67.27

b) Summarised financial information for joint venture

(₹ in Millions)

Summarised balance sheet	March 31, 2019	March 31, 2018
Current assets		
Cash and cash equivalents	3.67	2.97
Other assets	112.58	92.63
Total current assets	**116.25**	**95.61**
Property, Plant & equipment	40.29	40.88
Other assets	8.20	8.13
Total non-current assets	**48.49**	**49.01**
Current liabilities		
Financial liabilities	6.05	4.54
Other liabilities	0.73	0.82
Total current liabilities	**6.78**	**5.36**
Non-current liabilities		
Other liabilities	6.97	6.05
Total non-current liabilities	**6.97**	**6.05**
Net assets	**150.99**	**133.21**

Reconciliation to carrying amounts

(₹ in Millions)

Summarised balance sheet	March 31, 2019	March 31, 2018
Opening net assets	**133.20**	**192.20**
Profit for the year	39.57	38.57
Other comprehensive income	0.11	0.17
Dividends paid including tax	(21.89)	(97.74)
Closing net assets	**150.99**	**133.20**
Group's share in %	50.50%	50.50%
Group's share in INR	76.25	67.27
Carrying amount	**76.25**	**67.27**

Summarised statement of profit and loss

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Revenue	105.19	82.07
Other Income	2.85	12.05
Depreciation and amortisation	(2.09)	(1.75)
Finance costs	(1.00)	(1.00)
Other expenses	(54.40)	(41.07)
Income tax expense	(10.98)	(11.73)
Profit for the year	**39.57**	**38.57**
Other comprehensive income	0.11	0.17
Total comprehensive income	**39.68**	**38.74**
Less: Relating to earlier year	21.89	-
Profit attributable	**17.79**	**38.74**

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

41. Earnings per share

Particulars	March 31, 2019	31 March 2018
(a) Net Profit after taxation attributable to equity shareholders (₹ in Millions)	745.07	640.85
(b) Weighted average number of Outstanding equity shares considered for Basic EPS	58,949,337	58,949,337
(c) Dilutive impact on Net Profit (₹ in Millions)	6.58	0.28
(d Net Profit / (Loss) after taxation attributable to equity shareholders (₹ in Millions)	738.49	640.57
(Nominal value per share ₹ 5 each)		
(e) Earnings per share		
Basic earning per share (in Rs.) (a/b)	12.64	10.87
Diluted earning per share (in Rs.) (d/b)	12.53	10.87

42. Related party transactions

A. As required under Ind AS 24 – "Related Party Disclosures", following are details of transactions during the year with the related parties of the Company and its subsidiaries as defined in Ind AS- 24.

(i) The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

Transactions and balances with its own subsidiaries are eliminated on consolidation

(A) Joint Venture Company
Cybercom Datamatics Information Solutions Limited
LDR eRetail Limited
Elevondata Labs Holdings Inc. (till March 15, 2018)
Elevondata Labs Private Limited (till March 15, 2018)
Elevondata LLC (till March 15, 2018)

(B) Key Managerial Personnel
Dr. Lalit S. Kanodia, Chairman
Mr. Rahul L. Kanodia, Vice Chairman & CEO
Mr. Sameer L. Kanodia, Director
Ms. Divya Kumat, Company Secretary
Mr. Sandeep Mantri, Chief Financial Officer

(C) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel
Mrs. Asha L. Kanodia
Mrs. Aneesha Dalmia
Mrs. Priyadarshini Kanodia
Datamatics Staffing Services Limited (till March 17, 2019)
Datamatics Business Solutions Limited
Datamatics Infotech Services Private Limited

(D) Holding Company
Delta Infosolutions Private Limited

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

(ii) Details of transactions with the related parties stated in (i) above :

(₹ in Millions)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
[A]	Transactions during the year								
i	**Revenue from operations**	**-**	**-**	**-**	**-**	**5.57**	**1.18**	**-**	**-**
	Datamatics Business Solutions Limited	-	-	-	-	5.57	1.18	-	-
ii	**Outsourcing cost**	**-**	**-**	**-**	**-**	**-**	**0.72**	**-**	**-**
	Datamatics Staffing Services Limited	-	-	-	-	-	0.72	-	-
iii	**Expenses incurred by related parties**	**3.38**	**3.17**	**-**	**-**	**-**	**-**	**-**	**-**
	Cybercom Datamatics Information Solutions Limited	3.38	3.17	-	-	-	-	-	-
iv	**Expenses incurred for related parties**	**-**	**-**	**-**	**-**	**0.40**	**-**	**-**	**-**
	Datamatics Infotech Services Private Limited	-	-	-	-	0.40	-	-	-
v	**Recruitment expenses**	**-**	**-**	**-**	**-**	**-**	**3.52**	**-**	**-**
	Datamatics Staffing Services Limited	-	-	-	-	-	3.52	-	-
vi	**Legal and professional fees**	**-**	**-**	**-**	**-**	**0.31**	**0.68**	**-**	**-**
	Datamatics Business Solutions Limited	-	-	-	-	0.31	0.24	-	-
	Mrs. Aneesha Dalmia	-	-	-	-	-	0.44	-	-
vii	**Communication expenses**	**-**	**-**	**-**	**-**	**-**	**0.01**	**-**	**-**
	Datamatics Business Solutions Limited	-	-	-	-	-	0.01	-	-
viii	**Managerial remuneration**	**-**	**-**	**26.41**	**24.79**	**-**	**-**	**-**	**-**
	Dr. Lalit S. Kanodia	-	-	8.05	7.31	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	10.55	9.93	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	7.81	7.55	-	-	-	-
ix	**Salaries and allowances**	**-**	**-**	**15.90**	**14.68**	**3.13**	**2.74**	**-**	**-**
	Mrs. Priyadarshini R. Kanodia	-	-	-	-	3.13	2.74	-	-
	Ms. Divya Kumat	-	-	8.49	7.83	-	-	-	-
	Mr. Sandeep Mantri	-	-	7.41	6.85	-	-	-	-
x	**Commission**	**-**	**-**	**7.70**	**9.98**	**0.21**	**0.15**	**-**	**-**
	Dr. Lalit S. Kanodia	-	-	3.85	4.99	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	3.85	4.99	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	0.21	0.15	-	-
xi	**Board sitting fees**	**-**	**-**	**0.02**	**-**	**0.19**	**0.13**	**-**	**-**
	Dr. Lalit S. Kanodia	-	-	0.01	-	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	0.01	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	0.19	0.13	-	-
xii	**Purchase of Property, plant and equipment**	**-**	**-**	**-**	**-**	**0.78**	**0.57**	**-**	**-**
	Mrs. Aneesha Dalmia	-	-	-	-	0.78	0.57	-	-

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

(₹ in Millions)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
xiii	**Corporate guarantee fees**	**1.00**	**1.00**	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	1.00	1.00	-	-	-	-	-	-
xiv	**Interest expenses**	-	-	-	**3.32**	-	**1.24**	-	-
	Dr. Lalit S. Kanodia	-	-	-	1.04	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	2.28	-	-	-	-
	Mrs. Asha L. Kanodia	-	-		-	-	1.24	-	-
xv	**Repayment of borrowings during the year**	-	-	-	**72.80**	-	**27.20**	-	-
	Dr. Lalit S. Kanodia	-	-	-	22.80	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	50.00	-	-	-	-
	Mrs. Asha L. Kanodia	-	-		-	-	27.20	-	-
xvi	**Dividend Paid**	-	-	**1.18**	**5.88**	**1.20**	**5.98**	**7.95**	**39.77**
	Dr. Lalit S. Kanodia	-	-	0.81	4.04	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	0.37	1.84	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	0.83	4.13	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	0.37	1.85	-	-
	Delta Infosolutions Private Limited	-	-	-	-	-		7.95	39.77
xvii	**Loans and advances refunded during the year**	**0.01**	**0.01**	-	-	-	**0.48**	-	-
	Cybercom Datamatics Information Solutions Limited	0.01	0.01	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	0.48	-	-
xviii	**Loans and advances given during the year**	**0.24**	**0.06**	-	-	**0.26**	**2.00**	-	-
	Cybercom Datamatics Information Solutions Limited	0.24	0.06	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	0.26	2.00	-	-
[B]	Balance as on March 31								
i	**Loans and advances receivable**	**0.55**	**0.32**	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.55	0.32	-	-	-	-	-	-
ii	**Payables**	-	**0.48**	**27.30**	**11.30**	-	**0.04**	-	-
	Dr. Lalit S. Kanodia	-	-	21.95	4.99	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	3.85	4.99	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	1.50	1.32	-	-	-	-
	Elevondata Labs Private Limited	-	0.48	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	0.04	-	-
iii	**Receivables**	**0.22**	**0.15**	-	-	**3.43**	**1.64**	-	-
	Datamatics Business Solutions Limited	-	-	-	-	3.43	1.64	-	-
	Cybercom Datamatics Information Solutions Limited	0.22	0.15	-	-	-	-	-	-
iv	**Guarantees**	**50.00**	**50.00**	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	50.00	50.00	-	-	-	-	-	-

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

43. Leases

Non-cancellable operating leases

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 34. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

(₹ in millions)

	March 31, 2019	March 31, 2018
Within one year	125.17	145.36
Later than one year but not later than five years	178.62	232.09
Later than five years	-	-

Rental expense relating to operating leases

(₹ in millions)

	March 31, 2019	March 31, 2018
Total rental expense relating to operating leases	248.57	194.58

Notes:

(a) Future lease payments are determined on the basis of terms of the lease agreement.

(b) At the expiry of term of the agreement, the Group has an option either to return the leased asset or extend the term by giving a notice in writing.

(c) There are no sublease payments as well as no contingent rent.

44. Restricted Stock Unit Plan 2016

One of the subsidiary has granted "Restricted Stock Units" under "LDL RSU PLAN 2016" The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the Company shall be the primary requirement of the vesting.

Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of ₹ 10 per option. The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant.

During the year, an amount of ₹ 9.83 million (P.Y. Nil) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus & Allowances and the same has been disclosed under Reserves and Surplus -Employee Stock Option Reserve.

45. Events occurring after the reporting period

Dividend

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 0.25 per equity share towards final dividend for the year ended March 31, 2018.

Dividends declared by the Group are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 9, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 1.00 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting.

46. Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Contingent Liabilities to the extent not provided for:

(₹ in Millions)

		March 31, 2019	March 31, 2018
(a)	**Claims against the Group not acknowledged as debt:**		
(i)	Income Tax matters	21.64	126.65
(ii)	Service Tax matters	-	6.93
(iii)	PF related matters		

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

(₹ in Millions)

		March 31, 2019	March 31, 2018
	The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub judice. As a matter of caution, the Group is consulting in respect of the matter and will make provision on a prospective basis once there is a clarity. However, the impact will be immaterial.		
(b)	**Details of guarantees outstanding as at:**		
(i)	Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture	98.00	98.00
(ii)	Guarantees given by banks	341.70	165.29
(c)	**Capital and other commitments:**		
(i)	Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	5.93	-
(ii)	Estimated amount payable under business development agreement to business consultant (USD 0.26 million)	17.70	16.68

47. Forward contracts in foreign currencies

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Not later than one month	244.85	170.79
Later than one month and not later than three months	515.87	369.90
Later than three months and not later than one year	1,976.87	1,333.27
Later than one year	1,566.05	392.56
Total	**4,303.64**	**2,266.52**

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(₹ in Millions)

Foreign Currency	March 31, 2019			March 31, 2018		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	628	41.92	75.94	273	25.88	58.69
Euro	35	1.79	5.91	7	0.42	(0.63)
Sterling Pound	212	11.10	39.33	92	4.30	(18.80)
Total			**121.18**			**39.26**

Net gain on derivative instruments of ₹ 121.18 million (₹ 39.26 million) recognised in Hedging Reserve as of March 31, 2019, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2021.

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

48. Revenue from contract with major customers

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2019 and March 31, 2018. While disclosing the agreegate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the agreegate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:

(₹ in Millions)

Particulars	Amount
Balance at beginning of the year	62.51
Revenue recognised during the year	139.30
Invoices raised during the year	157.68
Balance at the end of the year	44.13

49. Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

(₹ in Millions)

		March 31, 2019	March 31, 2018
I.	**Defined Contribution Plan**		
	Charge to the Statement of Profit and Loss based on contributions:		
	Employers contribution to provident fund	138.63	118.74
	Employers contribution to other foreign defined contribution plans	85.59	75.51
	Employers contribution to employees' state insurance	21.61	18.64
	Employers contribution to employees' pension scheme 1995	2.71	0.08
	Employers contribution to labour welfare fund and others	0.28	2.26
	Included in contribution to provident fund and other funds (Refer Note No.31)	**248.82**	**215.23**

II. Defined benefit plan

i) Movement in Present Value of Obligation

(₹ in Millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligation as at the beginning	129.13	100.67	83.45	80.51
Current service cost	23.26	22.15	28.79	21.93
Interest expense or cost	9.97	7.21	6.45	5.76
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	(0.93)	(3.09)	0.12	(2.05)
- change in financial assumptions	5.75	(14.19)	5.03	(7.14)
- experience variance (i.e. actual experience vs assumptions)	5.71	20.97	(0.43)	9.13
Past Service Cost	13.35	11.76	-	-
Benefits Paid	(18.50)	(18.77)	(33.26)	(24.70)
Acquisition adjustment	61.29	-	23.92	-
Present Value of Obligation as at the end	111.26	126.71	68.99	83.45

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

ii) Expenses recognised in the income statement and other comprehensive income

(₹ in Millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current service cost	23.63	22.15	29.46	21.93
Past service cost	17.00	11.76	-	-
Net interest cost on the net defined benefit liability	10.16	7.21	5.57	5.76
Actuarial (gains) / losses	-	-	8.54	(0.06)
Expenses recognised in Profit & Loss Account	10.38	41.12	26.23	27.64
Other Comprehensive Income -				
Actuarial (gains) / losses				
- change in demographic assumptions	-	(3.09)	-	-
- Change in financial assumptions	0.04	(14.19)	-	-
- Experience variance	10.53	20.97	-	-
Expenses recognised in OCI	7.03	3.69	-	-

iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

(₹ in Millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate (per annum)	7.60% - 7.76%	6.90% - 7.70%	7.60% - 7.76%	7.70%
Salary growth rate (per annum)	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%
Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08

iv) Sensitivity Analysis

(₹ in Millions)

Particulars	Gratuity			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	107.08	96.81	79.25	70.44
Discount rate (- / + 1%)	62.81	50.28	59.40	45.99
Salary growth rate (- / + 0.5%)	96.63	107.23	70.59	79.00
Salary growth rate (- / + 1%)	50.26	62.61	45.89	59.40
Attrition rate (1 / + 1%)	-	-	74.57	74.71
Attrition rate (1 / + 0.5%)	32.66	33.71	7.38	7.27
Attrition rate (1 / + 0.25%)	123.82	124.59	43.73	45.55
Mortality rate (- / + 1%)	-	-	74.53	74.75
Mortality rate (- / + 1%)	157.21	157.57	51.99	52.15

Sensitivity Analysis

(₹ in Millions)

Particulars	Leave encashment			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	52.09	40.54	50.38	42.59
Discount rate (- / + 1%)	60.01	49.14	40.57	34.54
Salary growth rate (- / + 0.5%)	40.34	52.25	42.46	50.47
Salary growth rate (- / + 1%)	48.93	60.15	34.42	40.66
Attrition rate (1 / + 1%)	-	-	41.78	49.13
Attrition rate (1 / + 50%)	64.07	70.41	16.51	17.84
Attrition rate (1 / + 25%)	31.52	32.85	19.62	20.38
Mortality rate (- / + 1%)	-	-	46.09	46.17
Mortality rate (- / + 10%)	99.76	99.98	37.30	37.33

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

v) Maturity profile of Defined Benefit obligation

(₹ in Millions)

Particulars	Gratuity	Leave encashment
	Amount	Amount
1 Year	21.53	14.20
2 to 5 years	40.36	26.75
6 to 10 years	62.41	30.17
More than 10 years	387.97	190.91

50. Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Global Services Limited	39%	4,765.59	34%	292.36	57%	25.42	35%	317.78
Subsidiaries								
Indian								
Cignex Datamatics Technologies Limited	3%	347.81	6%	48.86	-3%	(1.34)	5%	47.52
Lumina Datamtics Limited	18%	2,112.45	12%	101.94	13%	5.55	12%	107.49
Datamatics Robotics Software Limited	0%	2.47	-1%	(6.15)	-3%	(1.38)	-1%	(7.53)
LD Publishing & eRetail Limited	0%	0.47	-0%	(0.03)	0%	-	-0%	(0.03)
LDR eRetail Limited	0%	16.65	0%	1.01	0%	0.01	0%	1.02
Datamatics Digital Limited	2%	257.32	11%	94.67	-2%	(1.09)	10%	93.58
Datamatics Staffing Services Limited	0%	10.44	0%	0.40	-0%	(0.08)	0%	0.32
RJ Globus Solutions Private Limited	0%	0.09	-0%	(0.01)	0%	-	-0%	(0.01)
Attune Infocom Private Limited	0%	12.56	0%	2.82	0%	0.17	0%	2.99
Foreign								
Datamatics Global Services Inc.	4%	538.92	14%	122.16	2%	1.05	14%	123.21
Datamatics Robotics Software Inc.	-0%	(0.27)	-0%	(0.97)	-0%	(0.01)	-0%	(0.98)
Datamatics Infotech Limited	1%	161.47	5%	46.63	2%	0.77	5%	47.40
Datamatics Global Services Pty. Limited	0%	16.86	1%	6.56	1%	0.23	1%	6.79
Datamatics Global Technologies Limited	8%	1,010.29	0%	1.03	0%	0.01	0%	1.04
Datamatics Global Technologies AG	0%	0.55	-0%	(1.05)	-0%	(0.02)	-0%	(1.07)
Techjini Inc	0%	19.79	1%	4.51	2%	0.87	1%	5.38
RJ Globus Solutions Inc	-0%	(0.20)	3%	23.20	0%	-	3%	23.20
RJ Globus Inc	0%	0.67	-0%	(0.02)	0%	-	-0%	(0.02)
Cignex Datamatics Corporation	-0%	(43.48)	-1%	(9.22)	0%	-	-1%	(9.22)
Cignex Datamatics Inc.	2%	288.50	11%	95.01	-110%	(48.79)	5%	46.22
Cignex Datamatics Pte. Limited	0%	12.12	0%	2.82	0%	-	0%	2.82
Cignex Datamatics UK Limited	-0%	(1.37)	-0%	(0.23)	0%	-	-0%	(0.23)
Cignex Datamatics GmbH	0%	2.02	0%	0.44	0%	-	0%	0.44
Duo Consulting, Inc.	0%	44.42	0%	3.84	0%	-	0%	3.84
Datamatics Global Services FZ LLC	1%	115.57	-1%	(6.86)	-0%	(0.05)	-1%	(6.91)
Datamatics Global Services Corp.	0%	22.92	-0%	(1.06)	0%	-	-0%	(1.06)
Lumina Datamatics Inc.	18%	2,229.86	6%	48.45	142%	62.92	12%	111.37
Lumina Datamatics GmbH	0%	16.62	0%	0.69	0%	-	0%	0.69
Lumina Datamatics Assessment and Analytics, LLC	1%	107.88	-0%	(3.69)	0%	-	-0%	(3.69)
Total	**100%**	**12,068.99**	**100%**	**868.11**	**100%**	**44.24**	**100%**	**912.35**
Adjustments arising out of consolidation		(5,669.43)		(32.35)		162.38		130.03

Notes to the Consolidated Financial Statements *(Contd.)*

as at March 31, 2019

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Share of Profit in Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		8.98		-		8.98
Non Controlling Interest								
Indian Subsidiaries								
Lumina Datamtics Limited		28.95		(3.18)		(1.37)		(4.55)
Attune Infocom Private Limited		16.69		(1.38)		-		(1.38)
Datamatics Digital Limited		52.36		(28.42)		0.08		(28.34)
Datamatics Staffing Services Limited		5.16		(0.19)		0.04		(0.15)
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		17.20		1.29		-		1.29
RJ Globus Solutions Inc		(0.06)		(12.38)		-		(12.38)
Cignex Datamatics Corporation		229.65		(54.12)		19.09		(35.03)
Duo Consulting, Inc.		43.72		(1.29)		-		(1.29)
Total		**(5,275.76)**		**(123.04)**		**180.22**		**57.18**
Consolidated Net Assets / Profit after tax / OCI / TCI		**6,793.23**		**745.07**		**224.46**		**969.53**

51. Previous Year Figures

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Independent Auditor's Report

To,
The Members of DATAMATICS GLOBAL SERVICES LIMITED

Report on the Audit of the Standalone financial statements

Opinion

We have audited the accompanying Standalone financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements".

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit 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 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 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 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 opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

A. Revenue recognition in respect of fixed price contract

Description of Key Audit Matters

Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates:

Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has a high inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining contract performance obligations.

How our audit addressed the key audit matter

Our procedures included discussion with the management on the control on the data and its effectiveness. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- Evaluated the design of internal controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations.
- Tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of efforts incurred.
- Selected a sample of contracts and tested the operating effectiveness of the internal controls relating to efforts incurred and estimated through inspection of evidence of performance of these controls.
- Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.
- Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations.
- Performed analytical procedures and test of details for reasonableness of incurred and estimated efforts.

B. Transaction with Related Parties

Description of Key Audit Matters

The company has material related party transaction during the year. Related Party Transactions imposes limitations on the auditor's ability to obtain audit evidence that all other aspects of related party transactions (other than price) are equivalent to those of a similar arm's length transaction. Further nature and complexity of such transaction and involvement of management with respect to roles and responsibilities of the entities involved in the transactions, makes it subjective.

How our audit addressed the key audit matter

Our audit procedures on revenue for related parties included:

- We adopted the balancing method (Transfer pricing model) to arrive at arm's length price and these prices are cross verified with the related party transaction.
- We also reviewed comfort letter issued by the professional who handles the Transfer Pricing issues of the entity stating that the transaction is at arm's length price.
- We also reviewed the income tax assessments of earlier years to corroborate whether the methodology adopted has been accepted by the department.
- We also compared the pricing model and other terms of the agreement with the priors years

C. Valuation of Financial Instruments

Description of Key Audit Matters

The Company has made investments in financial instruments amounting to ₹ 299.68 million. Due to their unique structure and terms, the valuations of these unquoted instruments are based on entity-developed internal models. Therefore, there is significant measurement uncertainty involved in this valuation and is based on assumptions by the management.

Independent Auditor's Report *(Contd.)*

As a result, the valuation of these instruments was significant to our audit.

How our audit addressed the key audit matter
Our procedures included discussion with the management on the reasonableness of the assumptions and our procedures included:

- obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;
- obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.
- Reviewing the Valuation reports issued by the independent valuation professional for valuation of the financial instruments.
- Reviewing the assumption made in the prior years and any significant change in assumption during the year.

D. Valuation of Employee Benefits

Description of Key Audit Matters
The Company has recognised provision for Gratuity of ₹ 98.92 million and provision for Leave Encashment of ₹ 45.75 million as of March 31, 2019. The assumptions that underpin the valuation of the Gratuity and Leave Encashment are important and also based on subjective judgements. Management has obtained advice from actuarial specialists in order to calculate the amount of Gratuity and Leave Encashment to be recognised as uncertainty arises as a result of estimates made based on the Company's expectations about long-term trends and market conditions. As a result, the actual surplus or deficit realised by the Company may be significantly different to that recognised on the balance sheet since small changes to the assumptions used in the calculation materially affect the valuation.

How our audit addressed the key audit matter
Our procedures included discussion with the management on the control on the data and reasonableness of the assumptions.

- We reviewed the scheme rules to ensure our understanding is correct. We tested the input data used by the actuary to company records.
- We evaluated the key actuarial assumptions with the assistance of our specialists to determine if these were within an acceptable range.
- We compared with the actuarial gain/loss of earlier years to understand the impact of the variation in the assumptions
- We read the disclosure in the financial statements in respect of employee benefits to consider whether these are consistent with the conclusions of our audit work and meet the disclosure requirements of the relevant accounting standards.

Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act. 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 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 financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone financial statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 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 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.

Independent Auditor's Report *(Contd.)*

- 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 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 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 financial statements, including the disclosures, and whether the standalone 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 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.

Emphasis of matter

Attention is drawn to Note No. 40 the Company has an investment of ₹ 646.30 million in two wholly owned subsidiaries and has also extended loans and advances of ₹12.09 million to these subsidiaries as on March 31, 2019. The net worth of these subsidiaries as on March 31, 2019 is ₹ 539.48 million which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future and hence, no provision for diminution in the value of investment has been considered necessary by the management.

Our opinion is not modified in respect of this matter.

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 of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "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, 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 books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

   (h) With respect to the matter to be included in the Auditor's Report under section 197 (16):

   In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W/W100197

J. P. Bairagra
Partner
Membership No. 012839

Place: Mumbai
Date: May 09, 2019

Annexure A to the Independent Auditor's Report

Referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of DATAMATICS GLOBAL SERVICE LIMITED for the year ended March 31, 2019

i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Pursuant to the programme, certain fixed assets were physically verified during the year and 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, the title deeds of immovable properties are held in the name of the Company.

ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order is not applicable.

iii. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.

iv. According to information and explanation provided to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.

vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.

vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, Goods & Services Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Sales Tax, Service Tax, Goods and Services Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of Income Tax are as under:

Sr. No	Name of the Statute	Nature of the dues	Financial Year to which it relates	Forum where the dues is pending	₹ in million
1	Income Tax Act, 1961	Income Tax dues	2011-12	ITAT, Mumbai	17.49

viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.

ix. The Company has not raised any money by way of public issue/ further offer (including debt instruments). The money raised on term loans has been applied for the purpose for which it was raised.

x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.

xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.

xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

Annexure A to the Independent Auditor's Report *(Contd.)*

xiv. In our opinion and 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. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and 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, clause 3 (xv) of the Order is not applicable to the Company.

xvi. The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W/W100197

J. P. Bairagra
Partner
Membership No. 012839

Place: Mumbai
Date: May 09, 2019

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 DATAMATICS GLOBAL SERVICES LIMITED ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Board of Directors are 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, 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 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.

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 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the 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, to the best of our information and according to the explanations given to us, 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 March 31, 2019, 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.

For M L BHUWANIA AND CO LLP
Chartered Accountants
FRN: 101484W/W100197

J. P. Bairagra
Partner
Membership No. 012839

Place: Mumbai
Date: May 09, 2019

Standalone Balance Sheet

as at March 31, 2019

(₹ in Millions)

Particulars	Note	March 31, 2019	March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	907.01	944.88
Capital work-in-progress	3	8.95	10.32
Goodwill	4	99.24	99.24
Other intangible assets	4	85.07	115.47
Financial assets			
i. Investments	5	2,496.09	2,489.95
ii. Loans	6	0.29	0.46
iii. Other financial assets	7	87.15	59.63
Deferred tax assets	8(c)	232.42	353.82
Non-current tax assets (net)	9	115.42	34.62
Other non-current assets	10	0.83	10.85
Total non-current assets		**4,032.47**	**4,119.24**
Current assets			
Financial assets			
i. Investments	11	161.84	106.63
ii. Trade receivables	12	916.20	930.37
iii. Cash and cash equivalents	13	65.33	78.03
iv. Bank balances other than (iii) above	14	37.84	7.45
v. Loans	15	0.31	2.62
vi. Other financial assets	16	502.07	317.69
Current tax assets (net)	17	17.49	9.58
Other current assets	18	61.38	54.58
Total current assets		**1,762.46**	**1,506.95**
Total Assets		**5,794.93**	**5,626.19**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19(a)	294.75	294.75
Other equity	19(b)	4,470.84	4,177.66
Total equity		**4,765.59**	**4,472.41**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Other financial liabilities	20	18.04	178.83
Provisions	21	122.76	101.51
Total non-current liabilities		**140.80**	**280.34**
Current liabilities			
Financial liabilities			
i. Borrowings	22	262.50	463.93
ii. Trade payables	23		
Dues of Micro and small enterprises		0.13	-
Dues other than Micro and small enterprises		386.85	317.10
iii. Other financial liabilities	24	125.75	8.45
Provisions	25	21.91	19.27
Current tax liabilities (net)	26	-	12.44
Other current liabilities	27	91.40	52.25
Total current liabilities		**888.54**	**873.44**
Total liabilities		**1,029.34**	**1,153.78**
Total Equity and Liabilities		**5,794.93**	**5,626.19**

The accompanying notes forming an integral part of the financial statements 1-53

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Millions)

Particulars	Note	March 31, 2019	March 31, 2018
Revenue from operations	28	3,896.72	3,378.50
Other income	29	66.49	226.43
Total income		**3,963.21**	**3,604.93**
Expenses			
Purchase of products and licenses	30	36.62	49.43
Employee benefit expenses	31	2,332.11	2,000.68
Finance costs	32	34.50	34.41
Depreciation and amortisation expenses	33	120.32	102.33
Other expenses	34	1,047.31	894.63
Total expenses		**3,570.86**	**3,081.48**
Profit before tax		**392.35**	**523.45**
Tax expense			
- Current tax	8(a)	102.44	74.07
- Deferred tax	8(a)	(2.45)	42.69
Total tax expenses		**99.99**	**116.76**
Profit for the year		**292.36**	**406.69**

Statement of other comprehensive income (OCI) for the year ended March 31, 2019

(₹ in Millions)

Particulars	Note	March 31, 2019	March 31, 2018
Items that will be reclassified to profit or loss			
Deferred gains/ losses on cash flow hedge		68.97	(80.65)
Tax relating to above		(42.68)	27.91
		26.29	**(52.74)**
Items that will not be reclassified to profit or loss			
Actuarial gains and losses		(3.97)	(1.45)
Changes in fair value of FVOCI instruments		1.64	(0.05)
Tax relating to above		1.47	0.52
		(0.86)	**(0.98)**
OCI for the year		**25.43**	**(53.72)**
Total comprehensive income for the year		**317.79**	**352.97**
Earnings per Equity Share (of ₹ 5 each)			
Basic and Diluted	41	4.96	6.90

The accompanying notes forming an integral part of the financial statements 1-53

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Standalone Statement of changes in equity

for the year ended March 31, 2019

A. Equity share capital

Particulars	₹ in Millions
As at March 31, 2017	**294.75**
Changes in equity share capital	-
As at March 31, 2018	**294.75**
Changes in equity share capital	-
As at March 31, 2019	**294.75**

B. Other equity

₹ in Millions

	Reserves and surplus					Other comprehensive income			
	Securities Premium	Retained earnings	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Total other equity
As at March 31, 2017	**1,080.08**	**1,388.83**	**1,077.14**	**35.60**	**244.28**	**2.68**	**(4.68)**	**74.48**	**3,898.41**
Profit for the year	-	406.69	-	-	-	-	-	-	**406.69**
Other comprehensive income	-	-	-	-	-	(0.05)	(0.93)	(52.74)	**(53.72)**
Dividends paid (incuding taxes)	-	(73.72)	-	-	-	-	-	-	**(73.72)**
As at March 31, 2018	**1,080.08**	**1,721.80**	**1,077.14**	**35.60**	**244.28**	**2.63**	**(5.61)**	**21.74**	**4,177.66**
Profit for the year	-	292.36	-	-	-	-	-	-	**292.36**
Other comprehensive income	-	-	-	-	-	1.64	(2.50)	26.29	**25.43**
Dividends paid (incuding taxes)	-	(24.61)	-	-	-	-	-	-	**(24.61)**
As at March 31, 2019	**1,080.08**	**1,989.55**	**1,077.14**	**35.60**	**244.28**	**4.27**	**(8.11)**	**48.03**	**4,470.84**

The accompanying notes forming an integral part of the financial statements

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Standalone Cash flow statement

for the year ended March 31, 2019

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
A. Cash flow from operating activities		
Profit before tax	392.35	523.45
Adjustments for :		
Depreciation and amortisation expense	120.32	102.33
Provision for doubtful debts	4.87	-
Provision for doubtful deposits	6.17	-
Provision no longer required written back	(1.62)	-
Unrealised foreign exchange (gain) / loss	7.82	24.42
(Profit) / loss on sale fixed assets (net)	0.03	(0.19)
Finance cost	31.19	30.02
Unrealised gain on fair value of financial assets	(26.57)	(24.88)
Profit on sale of investments	(7.80)	(31.02)
Dividend income	(0.49)	(49.67)
Interest income	(0.68)	(4.98)
Operating profit before working capital changes	**525.59**	**569.48**
Adjustments for :		
Increase in trade receivables	1.56	(239.68)
Decrease in loans	2.48	9.91
Increase in other financial and non-financial assets	(178.37)	(75.49)
Increase / (Decrease) in trade payables	71.42	(33.17)
Increase in other financial and non-financial liabilities	60.50	24.19
Cash generated from operations	**483.18**	**255.24**
Direct taxes paid (net)	(120.95)	(97.49)
Net cash flow from operating activities (A)	**362.23**	**157.75**
B. Cash flow from investing activities		
Purchase of fixed assets / capital work-in-progress	(56.00)	(117.21)
Sale of fixed assets	5.30	9.23
Payment towards acquisition of subsidiary	(55.00)	(391.00)
Sale of non-current investments	12.38	45.97
Proceeds from buyback / redemption of preference shares in subsidiaries	18.33	50.00
(Purchase) / Sale of current investments (net)	(44.05)	278.02
Dividend received from others	0.49	0.41
Dividend received from joint venture	-	49.26
Interest received	0.85	4.83
Net cash flow used in investing activities (B)	**(117.70)**	**(70.49)**
C. Cash flow from financing activities		
Repayment of long-term borrowings	-	(349.83)
Proceeds/(Repayment) from/of short-term borrowings	(201.43)	319.60
Dividend paid	(24.61)	(73.72)
Interest paid	(31.19)	(30.02)
Net cash flow used in financing activities (C)	**(257.23)**	**(133.97)**
Net cash flow during the year (A+B+C)	(12.70)	(46.71)
Cash and cash equivalents at the beginning of the year	78.03	114.81
Exchange difference on translation of foreign currency cash and cash equivalents	-	9.93
Net cash and cash equivalents at the end of the year (Refer Note No.13)	**65.33**	**78.03**

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Notes to the Standalone Financial Statements

As at March 31, 2019

1. General Information

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Company was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Company converted itself from a Private Limited Company into a Public Limited Company and the name of the Company was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Company was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Company is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Company provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

2. Significant Accounting Policies

a) Basis of Preparation of Financial Statements:

i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The standalone financial statements were approved by the Company's Board of Directors and authorised for issue on May 9, 2019.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;
- defined benefit plans – plan assets measured at fair value

iii) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has establish policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

c) Foreign currency translation

i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) Transactions and balances

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in the Statement of Profit and Loss in the year in which it arises.

d) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue from the sale of distinct internally developed software and third party software is recognised upfront at the point in time when the software is delivered to the customer. In cases where impementation servises rendered significantly modifies or customise the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performace bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Cost and earnings in excess of billings are classifed as unbilled revenue while billings in excess of cost and earnings are classified as unearned revenue. Discount is recognised on cash basis in accordance with the contractual term of the agreement with the customers.

Effective April 1, 2018, the Company has applied Ind AS 115 Revenue from contracts with customers which establishes comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

e) Income tax

Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Current income taxes

The current tax expense include income tax expense payable by the company in India. The current tax payable by the company in India is income tax payable on worldwise income after taking credit for tax relief available for export operation in Specified Economic Zone (SEZs).

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in some tax jurisdictions.

Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

f) Leases

Finance Lease

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Operating lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

g) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

h) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

j) Investments and other financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Impairment of investments in subsidiaries:** The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently, when there is indication for impairment. If the recoverable amount is less than carrying amount, the impairment loss is accounted for.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value (except investment in subsidiaries and joint venture which are at cost less impairment losses, if any). Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 49 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when

- The company has transferred the rights to receive cash flows from the financial asset or

- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

v) **Income recognition**

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. 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.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

k) **Derivatives and hedging activities**

The Company uses foreign currency forward contracts to hedge it's risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments.The Company does not use the forward contract for speculative purposes. The Company designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

l) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

m) **Property, Plant and Equipment**

Property, Plant and Equipments are valued at cost, except for certain Property, Plant and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

n) **Intangible assets**

i) **Goodwill**

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete fees acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

iv) Other intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

v) Amortisation methods and periods

The company amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Computer Softwares	3 years
Non-Compete Fees	5 years
Copy Rights	3 years
Trade Mark	3 years
Other Intangibles	3 years

o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

q) Borrowing costs

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

r) Provision, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may,

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.

s) Employee benefits

i) Defined Contribution Plan

Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred.

ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method with actuarial valuation being carried out as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long-term compensated absences are provided for based on actuarial valuation.

iii) Short-term 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.

t) 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.

u) Earnings per share

In determining Earnings per Share, the Company considers the net profit attributable to company's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

v) Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following new and amendments to Ind AS which the Company has not applied as they are effective from April 1, 2019.

i) Ind AS - 116 : Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the uderlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially appliying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the comencement date, but discounted using lessee's inceremtal borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which underlying asset is of low value.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability. The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

ii) **Ind AS 12 : Income taxes (amendments relating to income tax consequenses of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequenses of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. The amendment does not amend the situations where the entity pays a tax on dividend which is effectively a portion of dividend paid to taxation authorities on behalf of shareholders.

iii) **Ind AS 109 : Prepayment features with negative compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

iv) **Ind AS 19 : Plan amendment, curtailment or settlement**

The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

v) **Ind AS 23 : Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes the part of the funds that entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

vi) **Ind AS 103 : Business Compbinations and Ind AS 111 : Joint Arrangements**

The amendments to Ind AS 103 relating to remeasurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply pronouncement if and when it obtains control / joint control of a business that is a joint operation.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

3. Property, Plant and Equipment

(₹ in Millions)

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
Gross block													
As at March 31, 2017	**302.85**	**270.30**	**178.60**	**4.57**	**55.25**	**15.55**	**8.84**	**85.75**	**21.21**	**31.43**	**77.27**	**1,051.62**	**7.68**
Additions	-	-	2.49	-	1.71	3.73	1.84	16.99	1.92	0.23	2.27	**31.18**	2.64
Disposals / derecognised	-	-	-	-	(0.14)	(0.82)	-	-	(0.01)	-	-	**(0.97)**	-
As at March 31, 2018	**302.85**	**270.30**	**181.09**	**4.57**	**56.82**	**18.46**	**10.68**	**102.74**	**23.12**	**31.66**	**79.54**	**1,081.83**	**10.32**
Additions	-	-	0.37	-	4.46	2.43	1.58	20.47	0.44	0.43	1.87	**32.05**	-
Disposals / derecognised	-	-	-	-	(0.01)	(1.41)	-	(3.55)	-	(0.05)	-	**(5.02)**	(1.37)
As at March 31, 2019	**302.85**	**270.30**	**181.46**	**4.57**	**61.27**	**19.48**	**12.26**	**119.66**	**23.56**	**32.04**	**81.41**	**1,108.86**	**8.95**

(₹ in Millions)

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
Accumulated depreciation													
As at March 31, 2017	**-**	**4.68**	**6.22**	**0.65**	**10.85**	**3.79**	**3.48**	**29.63**	**3.72**	**5.91**	**3.12**	**72.05**	**-**
Depreciation charge during the year	-	4.68	5.73	0.68	9.41	3.54	2.28	26.47	3.83	5.17	3.81	**65.60**	-
Disposals / derecognised	-	-	-	-	(0.14)	(0.55)	-	-	(0.01)	-	-	**(0.70)**	-
As at March 31, 2018	**-**	**9.36**	**11.95**	**1.33**	**20.12**	**6.78**	**5.76**	**56.10**	**7.54**	**11.08**	**6.93**	**136.95**	**-**
Depreciation charge during the year	-	4.68	1.63	0.67	7.45	2.71	1.26	27.64	9.91	6.10	4.42	**66.47**	-
Disposals / derecognised	-	-	-	-	(0.01)	(0.65)	-	(0.85)	-	(0.06)	-	**(1.57)**	-
As at March 31, 2019	**-**	**14.04**	**13.58**	**2.00**	**27.56**	**8.84**	**7.02**	**82.89**	**17.45**	**17.12**	**11.35**	**201.85**	**-**
Net carrying amount as at March 31, 2019	**302.85**	**256.26**	**167.88**	**2.57**	**33.71**	**10.64**	**5.24**	**36.77**	**6.11**	**14.92**	**70.06**	**907.01**	**8.95**
Net carrying amount as at March 31, 2018	**302.85**	**260.94**	**169.14**	**3.24**	**36.70**	**11.68**	**4.92**	**46.64**	**15.58**	**20.58**	**72.61**	**944.88**	**10.32**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

4. Other Intangible assets

(₹ in Millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill
As at March 31, 2017	**-**	**77.06**	**29.66**	**8.35**	**-**	**115.07**	**99.24**
Additions	52.81	30.59	-	-	0.02	**83.42**	-
Disposals / derecognised	-	-	-	-	-	**-**	-
As at March 31, 2018	**52.81**	**107.65**	**29.66**	**8.35**	**0.02**	**198.49**	**99.24**
Additions	-	23.91	-	-	1.41	**25.32**	-
Disposals / derecognised	-	(1.58)	-	-	(0.50)	**(2.08)**	-
As at March 31, 2019	**52.81**	**129.98**	**29.66**	**8.35**	**0.93**	**221.73**	**99.24**

(₹ in Millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill
Accumulated amortisation and impairment							
As at March 31, 2017	**-**	**35.16**	**8.73**	**2.40**	**-**	**46.29**	**-**
Amortisation charge during the year	-	28.14	6.70	1.89	-	**36.73**	-
Disposals / derecognised	-	-	-	-	-	**-**	-
As at March 31, 2018	**-**	**63.30**	**15.43**	**4.29**	**-**	**83.02**	**-**
Amortisation charge during the year	17.59	27.45	6.70	1.87	0.24	**53.85**	-
Disposals / derecognised	-	(0.10)	-	-	(0.11)	**(0.21)**	-
As at March 31, 2019	**17.59**	**90.65**	**22.13**	**6.16**	**0.13**	**136.66**	**-**
Net carrying amount as at March 31, 2019	**35.22**	**39.33**	**7.53**	**2.19**	**0.80**	**85.07**	**99.24**
Net carrying amount as at March 31, 2018	**52.81**	**44.35**	**14.23**	**4.06**	**0.02**	**115.47**	**99.24**

5. Non-current investments

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Investment in equity instruments (fully paid-up)		
Quoted (at Fair Value through OCI) (FVOCI)		
18,234 (P.Y. 13,676) fully paid Equity Shares of ₹ 2 each of Wipro Limited	4.65	3.85
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.09	0.06
800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.54	0.59
8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.13	2.55
38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	7.67	7.51
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	3.89	2.55
1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	2.49	2.36
900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.04	0.05
35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.39	0.73
Investment in debentures - Quoted (at Fair Value through Profit & Loss) (FVTPL)		
Nil (P.Y. 100) Units of ₹ 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	-	11.89
Investment in equity instruments (fully paid-up)		
In subsidiaries - Wholly Owned - Unquoted (at cost)		
1,000 (P.Y. 1,000) no par value common stock in Datamatics Global Services Inc.	644.04	644.04
20,000 (P.Y. 20,000) equity shares of Datamatics Infotech Limited of GBP 1 each	1.71	1.71
50,000 (P.Y. 50,000) equity shares of Datamatics Global Technologies AG of CHF 1 each	2.26	2.26
1,000,000 (P.Y. 1,000,000) equity shares of Datamatics Global Technologies Limited of USD 1 each	46.05	46.05

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
50,000 (P.Y. 50,000) equity shares of Datamatics Global Services Pty Limited of AUD 1 each	1.56	1.56
50 (P.Y. 50) equity shares of Datamatics Global Services FZ - LLC of AED 1,000 each	0.86	0.86
50,000 (P.Y. 50,000) equity shares of LD Publishing & eRetail Limited of ₹ 10 each	0.50	0.50
In Subsidiaries - Others- Unquoted (at cost)		
10,028,655 (P.Y. 10,028,655) equity shares of Lumina Datamatics Limited of ₹ 10 each	907.60	907.60
4,459,996 (P.Y. 3,909,996) fully paid equity shares of Datamatics Digital Limited of ₹ 1 each	562.00	550.00
In Joint venture - Others- Unquoted (at cost)		
428,400 (P.Y. 428,400) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	7.94	7.94
Investment in preference shares		
Unquoted (at FVTPL)		
In subsidiaries - Wholly Owned		
12,350,000 (P.Y. 12,750,000) fully paid Series II & III Non Cumulative Redeemable 8% Preference shares of Datamatics Global Technologies Limited of USD 1 each	134.34	134.23
In subsidiaries - Others		
27,670,856 (P.Y. 27,670,856) 9% Redeemable Preference Shares of Lumina Datamatics Limited of ₹ 10 each	165.34	161.06
Total	**2,496.09**	**2,489.95**
Aggregate amount of quoted investments	21.89	32.14
Aggregate amount of unquoted investments	2,474.20	2,457.81
Aggregate market value of quoted investments	21.89	32.14

6. Non Current Loans

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to Employees	0.29	0.46
Total	**0.29**	**0.46**

7. Other non-current financial assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Security deposits	42.34	42.15
Less: Allowances for doubtful deposits	6.17	-
Net security deposits	**36.17**	**42.15**
Fair value of outstanding forward contracts (FVOCI)	33.50	-
Fair value of outstanding corporate guarantees (FVTPL)	17.48	17.48
Total	**87.15**	**59.63**

8. Taxation

8(a) Income tax expense

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Current tax		
Current tax on profits for the year	107.56	71.62
Adjustments for current tax of prior periods	(5.12)	2.45
Total current tax expense	**102.44**	**74.07**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Deferred tax		
Decrease/(increase) in deferred tax assets	(4.33)	42.69
Adjustments for deferred tax of prior periods	1.88	-
Total deferred tax expense/(benefit)	**(2.45)**	**42.69**
Income tax expense	**99.99**	**116.76**

8(b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Profit for the year	**392.35**	**523.45**
Statutory tax rate applicable to Datamatics Global Services Limited	34.94%	34.61%
Tax expense at applicable tax rate	**137.10**	**180.95**
Tax effects of:		
Income taxed at higher/ (lower) rates	(4.28)	5.14
Amounts which are not deductible (taxable)	2.46	(13.12)
Tax holiday & exempt income	(22.14)	(33.12)
Adjustments for tax of prior periods	(3.24)	2.45
Basis difference that will reverse during tax holiday period	(0.01)	(0.04)
Taxable due to change in tax base	(9.38)	(7.46)
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(11.22)
Other	(0.52)	(6.82)
Income tax expense	**99.99**	**116.76**

8(c) - Deferred tax

(₹ in Millions)

Particulars	March 31, 2018	Recognized in P&L	MAT credit utilised	Recognized in OCI	March 31, 2019
Deferred Tax Assets					
Employee benefits	37.73	7.58	-	1.41	46.72
Provision for doubtful debts	42.04	(6.96)	-	-	35.08
Investment in subsidiaries	174.91	13.16	-	-	188.06
MAT credit	87.50	-	(82.64)	-	4.86
Others	16.16	4.09	-	-	20.25
Total Deferred Tax Assets	**358.34**	**17.87**	**(82.64)**	**1.41**	**294.98**
Deferred Tax Liabilities					
Depreciation	18.26	14.12	-	-	32.37
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	3.10	1.35	-	(0.06)	4.40
Cash flow hedging	(16.89)	-	-	42.68	25.79
Others	0.05	(0.05)	-	-	-
Total Deferred Tax Liabilities	**4.52**	**15.42**	**-**	**42.62**	**62.56**
Net Deferred Tax	**353.82**	**2.45**	**(82.64)**	**(41.21)**	**232.42**

9. Non-current tax assets (net)

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	115.42	34.62
Total	**115.42**	**34.62**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

10. Other non-current assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Other advances -		
Prepaid expenses	0.78	2.83
Balance with govt authorities	0.05	8.02
Total	**0.83**	**10.85**

11. Current investments

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Investment in mutual funds		
Quoted (at FVTPL)		
2,563,272 (P.Y. 1,960,938) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	55.73	39.17
375,340 (P.Y. 375,340) units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	4.78	4.46
133,518 (P.Y. 133,518) units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.54	4.48
205,295 (P.Y. 205,295) units of Aditya Birla Sun Life Corporate Bond Fund - Growth (Face Value of ₹10 each)	14.71	13.64
298,051 (P.Y. 175,039) units of ICICI Prudential Liquid Fund - Growth (Face Value of ₹ 100 each)	82.08	44.88
Total	**161.84**	**106.63**
Aggregate amount of quoted investments	161.84	106.63
Aggregate market value of quoted investments	161.84	106.63

12. Trade receivables

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Unsecured		
Considered good (Refer Note No.38)	916.20	930.37
Less :- Allowance for doubtful trade receivable	-	-
	916.20	**930.37**
Credit impaired	94.21	117.56
Less :- Allowance for doubtful trade receivable (Refer Note No.36)	94.21	117.56
	-	**-**
Total	**916.20**	**930.37**

13. Cash and cash equivalents

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Bank balances	52.18	75.98
Cheque in hand	10.74	-
Cash on hand	2.41	2.05
Total	**65.33**	**78.03**

14. Other bank balances

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Margin money deposits*	36.09	5.58
Unpaid dividend account**	1.75	1.87
Total	**37.84**	**7.45**

* Of the above ₹ 36.09 million (As at March 31, 2018: ₹ 5.58 million) are marked as lien for guarantees issued by banks on behalf of the Company.

** The Company can utilise balances only towards settlement of the unpaid dividend.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

15. Current Loans

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
(Unsecured, Considered Good, unless specified otherwise)		
Others -		
Loan to employees	0.31	2.62
Total	**0.31**	**2.62**

16. Other current financial assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Security deposits	9.06	7.44
Receivable from related parties (Refer Note No. 38)	37.48	31.43
Others -		
Interest accrued	0.05	0.22
Fair value of outstanding forward contracts (FVOCI)	40.31	6.65
Unbilled revenue	415.17	271.95
Total	**502.07**	**317.69**

17. Current tax assets (net)

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	17.49	9.58
Total	**17.49**	**9.58**

18. Other current assets

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Advance to Vendors	17.00	13.83
Advance to staff	5.57	11.84
Balance with govt authorities	3.81	-
Prepaid expenses	35.00	28.88
Other assets	-	0.03
Total	**61.38**	**54.58**

19. Share capital and other equity

19(a) Equity share capital

(i) Authorised share capital of face value of ₹ 5/- each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**100,000,000**	**500.00**
Increase during the year	-	-
As at March 31, 2018	**100,000,000**	**500.00**
Increase during the year	-	-
As at March 31, 2019	**100,000,000**	**500.00**

Authorised redeemable preference share capital of face value of ₹ 10/- each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**45,550,000**	**455.50**
Increase during the year	-	-
As at March 31, 2018	**45,550,000**	**455.50**
Increase during the year	-	-
As at March 31, 2019	**45,550,000**	**455.50**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**58,949,337**	**294.75**
Increase during the year	-	-
As at March 31, 2018	**58,949,337**	**294.75**
Increase during the year	-	-
As at March 31, 2019	**58,949,337**	**294.75**

(ii) Movements in equity share capital

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	**58,949,337**	**294.75**
Other movements	-	-
As at March 31, 2018	**58,949,337**	**294.75**
Other movements	-	-
As at March 31, 2019	**58,949,337**	**294.75**

(iii) Shares of the company held by holding company

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
31,813,742 (P.Y. 31,813,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited	159.07	159.07

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,477,995	5.90%	3,530,995	5.99%
Asha Lalit Kanodia	3,305,258	5.61%	3,605,258	6.12%

(v) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 9, 2019 proposed a Dividend of ₹ 1.00 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend declared for the year ended March 31, 2019 amounted to ₹ 58.95 million and corporate dividend tax of ₹ 9.92 million.

19(b) Other Equity

(₹ in Millions)

Particulars		March 31, 2019	March 31, 2018
Securities premium	Refer Note (i) below	1,080.08	1,080.08
Retained earnings		1,989.55	1,721.80
General reserve	Refer Note (ii) below	1,077.14	1,077.14
Capital reserve	Refer Note (iii) below	35.60	35.60
Capital redemption reserve	Refer Note (iv) below	244.28	244.28
OCI -			
Equity investments	Refer Note (v) below	4.27	2.63
Actuarial gains and losses		(8.11)	(5.61)
Cash flow hedging reserve	Refer Note (vi) below	48.03	21.74
Total		**4,470.84**	**4,177.66**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

Nature of reserves

(i) **Securities Premium**

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) **General Reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(iii) **Capital Reserve**

Capital reserve created on the merger of one of the subsidiaries with the company.

(iv) **Capital Redemption Reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(v) **OCI - Equity investments**

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

(vi) **OCI - Cash Flow Hedging Reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

20. Other non-current financial liabilities

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Creditor for capital expenditure	0.56	0.55
Fair value of outstanding corporate guarantees (FVTPL)	17.48	17.48
Fair value of outstanding forward contracts (FVOCI)	-	1.80
Fair value of contingent consideration	-	159.00
Total	**18.04**	**178.83**

21. Non-current Provisions

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.42)		
Provisions for employee benefits		
Gratuity	81.10	68.50
Leave encashment	41.66	33.01
Total	**122.76**	**101.51**

22. Current borrowings

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Working capital loan		
From Banks (Secured)*	-	113.93
From Others (Secured)*	262.50	350.00
Total	**262.50**	**463.93**

* Notes -

Working capital loans from Standard Chartered Bank, ICICI Bank and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipments of the Company, both, past and present.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of Company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the Company hence considered as current borrowings.

23. Trade payables

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Dues of Micro and small enterprises	0.13	-
Dues other than Micro and small enterprises	386.85	317.10
Total	**386.98**	**317.10**

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stiputlated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
(a) Dues remaining unpaid		
- Principal	0.13	-
- Interest on above*	0.01	-
(b) Interest paid in terms of Section 16 of MSMED Act		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accured and unpaid*	-	-

* The Company has not provided any interest on the amount oustanding beyond stipulated period.

24. Other current financial liabilities

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Fair value of contingent consideration	116.00	-
Deposits received	1.42	-
Unclaimed dividend	1.75	1.87
Other payables	6.58	6.58
Total	**125.75**	**8.45**

Dividend ₹ 0.19 million (₹ 0.26 million) unclaimed for a period of more than seven years has been transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2019.

25. Current Provisions

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.42)		
Provisions for employee benefits		
Gratuity	17.82	6.14
Leave encashment	4.09	13.13
Total	**21.91**	**19.27**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

26. Current tax liabilities (net)

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	-	12.44
Total	**-**	**12.44**

27. Other current liabilities

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Statutory dues	38.46	44.48
Advance from customers	13.18	-
Unearned revenue	39.76	7.77
Total	**91.40**	**52.25**

28. Revenue from operations

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Sales -export	2,547.44	2,216.17
Sales -domestic	1,349.28	1,162.33
Total	**3,896.72**	**3,378.50**

29. Other income

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Interest Income	0.68	4.98
Dividend on share investment	0.49	0.41
Dividend from joint venture	-	49.26
Profit on sale of investments carried out FVTPL	7.80	31.02
Guarantee fees received	1.96	2.46
Profit on sale of fixed assets	-	0.19
Unrealised gain on fair value of financial assets	26.57	24.88
Exchange gain (net)	14.71	103.24
Provision no longer required written back	1.62	-
Miscellaneous receipts	12.66	9.99
Total	**66.49**	**226.43**

30. Purchase of products and licenses

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Purchase of IT products and licenses	36.62	49.43
Total	**36.62**	**49.43**

31. Employee benefit expenses

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Salary, wages & allowances	2,167.94	1,854.29
Contribution towards provident & other funds	102.18	94.00
Staff welfare expense	61.99	52.39
Total	**2,332.11**	**2,000.68**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

32. Finance costs

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Interest on loan from banks	30.17	25.46
Interest on loan others	1.02	4.56
Other borrowing costs	3.31	4.39
Total	**34.50**	**34.41**

33. Depreciation and Amortisation Expenses

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Depreciation on property palnt and equipment	66.47	65.60
Amortisation on intangible assets	53.85	36.73
Total	**120.32**	**102.33**

34. Other expenses

(₹ in Millions)

Particulars		March 31, 2019	March 31, 2018
IT infrastructure & development cost		54.07	21.54
Technical fees		267.21	159.49
Outsourcing cost		10.65	10.65
Vendor charges		47.09	58.73
Link charges		21.77	19.07
Software maintenance expenses		36.55	47.37
Recruitment charges		25.64	27.09
Travelling expenses		220.27	234.50
Rent		55.09	52.47
Electricity expenses		67.68	64.04
Water charges		2.15	2.04
Communication charges		14.94	14.98
Rates & taxes		16.39	12.77
Insurance		5.39	3.18
Repairs & maintenance expenses		29.76	27.12
Hire charegs		16.06	12.64
Legal & professional expenses		76.09	68.14
Board sitting fees		0.98	0.73
Audit fees (Refer Note No.46)		3.85	4.43
Security charges		14.98	13.46
Subscription expenses		9.04	9.03
Sales commission		-	0.99
Vehicle expenses		5.72	5.01
Printing & stationery		4.74	4.01
Entertainment expenses		4.45	4.69
Bank charges		3.51	2.95
Sales promotion		14.83	6.35
Bad debts	24.97		
Less: Provision for doubtful debts written back	(24.97)	-	3.06
Provision for doubtful debts		4.87	-
Provision for doubtful deposit		6.17	-
Loss on sale of assets		0.03	-
Expenditure on CSR		1.21	1.48
Miscellaneous expenses		6.13	2.62
Total		**1,047.31**	**894.63**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

35. Fair value measurements

Financial instruments by category

(₹ in Millions)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	161.84	-	-	106.63	-	-
- Debentures	-	-	-	11.89	-	-
- Equity instruments (other than investment in subsidiary and JV)	-	21.89	-	-	20.25	-
- Preference shares	299.68	-	-	295.29	-	-
Trade receivables	-	-	916.20	-	-	930.37
Cash and cash equivalents	-	-	65.33	-	-	78.03
Bank balances other than cash and cash equivalents	-	-	37.84	-	-	7.45
Security deposit	-	-	45.23	-	-	49.59
Fair value of outstanding forward contracts	-	73.81	-	-	6.65	-
Fair value of outstanding corporate guarantees	17.48	-	-	17.48	-	-
Loan to employees	-	-	0.60	-	-	3.08
Unbilled revenue	-	-	415.17	-	-	271.95
Other receivables	-	-	37.53	-	-	31.65
Total financial assets	**479.00**	**95.70**	**1,517.90**	**431.29**	**26.90**	**1,372.12**
Financial liabilities						
Borrowings	-	-	262.50	-	-	463.93
Trade payables	-	-	386.98	-	-	317.10
Fair value of outstanding corporate guarantees	17.48	-	-	17.48	-	-
Fair Value of outstanding forward contracts	-	-	-	-	1.80	-
Fair Value of contingent consideration	116.00	-	-	159.00	-	-
Other payables	-	-	10.31	-	-	9.00
Total financial liabilities	**133.48**	**-**	**659.79**	**176.48**	**1.80**	**790.03**

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	161.84	-	-	**161.84**
Preference shares	-	-	299.68	**299.68**
Fair value of outstanding corporate guarantees	-	-	17.48	**17.48**
Financial Investments at FVOCI				
Fair value of outstanding forward contracts	-	73.81	-	**73.81**
Equity instruments	21.89	-	-	**21.89**
Total financial assets	**183.73**	**73.81**	**317.16**	**574.70**
Financial Liabilities				

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
Fair value of outstanding corporate guarantees	-	-	17.48	**17.48**
Fair value of contingent consideration	-	-	116.00	**116.00**
Total financial liabilities	**-**	**-**	**133.48**	**133.48**

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	106.63	-	-	**106.63**
Debentures	11.89	-	-	**11.89**
Preference shares	-	-	295.29	**295.29**
Fair value of outstanding corporate guarantees	-	-	17.48	**17.48**
Financial Investments at FVOCI				
Fair value of outstanding forward contracts	-	6.65	-	**6.65**
Equity instruments	20.25	-	-	**20.25**
Total financial assets	**138.77**	**6.65**	**312.77**	**458.19**
Financial Liabilities				
Fair value of outstanding corporate guarantees	-	-	17.48	**17.48**
Fair value of outstanding forward contracts	-	1.80	-	**1.80**
Fair value of contingent consideration	-	-	159.00	**159.00**
Total financial liabilities	**-**	**1.80**	**176.48**	**178.28**

There are no transfers between levels 1 and 2 during the year.
Reconciliation of Level 3 fair value measurement is as follows:

(₹ in Millions)

Particulars	Amount
Balance as on March 31, 2017	**328.83**
Change in the value	(192.54)
Balance as on March 31, 2018	**136.29**
Change in the value	47.39
Balance as on March 31, 2019	**183.68**

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

* the use of quoted market prices or dealer quotes for similar instruments

All of the resulting fair value estimates are included in level 3 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, bank balances, unbilled revenue and other financial assets are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

36. Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and foreign exchange risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

Credit risk management

The company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of such trade receivables as shown in Note 12 of the financials. Reconciliation of loss allowance provision – Trade receivables.

Particulars	₹ In millions
Loss allowance on March 31, 2017	**123.57**
Changes in loss allowance	(6.01)
Loss allowance on March 31, 2018	**117.56**
Changes in loss allowance	(23.35)
Loss allowance on March 31, 2019	**94.21**

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

C) Market risk

i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.

a) **Foreign currency risk exposure:**
Details of foreign currency exposures not covered by derivative instruments as at March 31, 2019 and March 31, 2018 are given below :

(₹ in Millions)

Particulars	Currency	March 31, 2019		March 31, 2018	
		Foreign Currency	₹ In Millions	Foreign Currency	₹ In Millions
Receivables	USD	4.34	299.92	6.78	441.77
	GBP	1.24	111.27	1.22	112.53
	EUR	0.45	35.04	0.77	62.31
	CHF	0.28	19.75	0.51	34.85
	AUD	0.15	7.33	0.45	22.47
	AED	-	-	0.08	1.35
	CAD	0.01	0.51	0.03	1.30
	SEK	0.19	1.40	0.14	1.10
Payables	USD	1.40	96.66	0.20	12.81
	EUR	0.01	1.03	0.01	0.98
	CHF	0.01	0.44	0.02	1.68
	GBP	0.07	6.16	0.04	3.92
Loans	USD	-	-	1.74	113.40

Note :
The amount mentioned above included ECB Loan as on March 31, 2019 Nil (March 31, 2018 USD 1.74 million) is treated by the Company as natural hedge by assigning future export receivable against repayment of ECB loan and USD receivable against repayment of ECB loan.

b) **Sensitivity**
The Company is mainly exposed to changes in USD, GBP, CHF, AUD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and Euro exchange rates, with all other veriables held constant. 5% appreciation/depreciation of USD, GBP, CHF, AUD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
USD	10.16	15.78
GBP	5.26	5.43
EUR	1.70	3.07
CHF	0.97	1.66
AUD	0.37	1.12

* Holding all other variables constant

ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During the previous year ended March 31, 2018, the company's borrowings at variable rate were mainly denominated in INR and USD .

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

a) **Interest rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Variable rate borrowings	-	113.93
Fixed rate borrowings	262.50	350.00
Total borrowings	**262.50**	**463.93**

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

	March 31, 2019			March 31, 2018		
	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans
ECB and PCFC Loans	-	-	-	4.07%	113.93	25%

b) **Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 70 basis points (70 bps) *	-	(0.79)
Interest rates – decrease by 70 basis points (70 bps) *	-	0.79

* Holding all other variables constant

iii) **Price risk**

a) **Exposure**

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

All of the company's equity investments are publicly traded.

37. Capital management

a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowing includes current maturities of long term borrowings.

(₹ in Millions)

	March 31, 2019	March 31, 2018
Borrowings	262.50	463.93
Total equity	4,765.59	4,472.41
Borrowing to equity ratio	0.06	0.10

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

b) Dividends

Particulars	March 31, 2019	March 31, 2018
(i) Equity shares		
Final dividend for the year ended March 31, 2018 of ₹ 0.25 (March 31, 2017 – ₹ 0.75) per fully paid share	14.74	44.21
Interim dividend for the year ended March 31, 2019 of Nil (March 31, 2018 – ₹ 0.50) per fully paid share	-	29.47
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Re. 1.00 per fully paid equity share (March 31, 2018 – ₹ 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	58.95	14.74

38. Related party transactions

A) As required under Ind AS 24 – "Related Party Disclosures", following are details of transactions during the year with the related parties of the Company as defined in Ind AS- 24.

(i) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

(A) Subsidiary Companies	**(B) Joint Venture Company**
Datamatics Global Services Inc.	Cybercom Datamatics Information Solutions Limited
Datamatics Global Technologies Limited	Elevondata Labs Holdings Inc (upto March 15, 2018)
Datamatics Global Technologies AG	Elevondata Labs Private Limited (upto March 15, 2018)
Datamatics Infotech Limited	Elevondata LLC (upto March 15, 2018)
LD Publishing & eRetail Limited	
Datamatics Global Services FZ LLC	**(C) Key Managerial Personnel**
Datamatics Global Services Pty. Limited	Dr. Lalit S. Kanodia, Chairman
Datamatics Robotics Software Limited	Mr. Rahul L. Kanodia, Vice chairman & CEO
Datamatics Global Technologies GmbH (Stepdown Subsidiary)	Mr. Sameer L. Kanodia, Director
Datamatics Robotics Software Inc (Stepdown Subsidiary)	Ms. Divya Kumat, Company Secretary
Datamatics Global Services Corp. (Stepdown Subsidiary)	Mr. Sandeep Mantri, Chief Financial Officer
RJ Globus Solutions Inc (Stepdown Subsidiary) (w.e.f. April 7, 2018)	
RJ Globus Inc (Stepdown subsidiary) (w.e.f. April 7, 2018)	**(D) Relatives of Key Managerial Personnel and**
RJ Globus Solutions Private Limited (Stepdown Subsidiary)	**Enterprise owned by Key Managerial Personnel**
Cignex Datamatics Corporation (Stepdown Subsidiary)	Mrs. Asha L. Kanodia
Cignex Datamatics Technologies Limited (Stepdown Subsidiary)	Mrs. Aneesha Dalmia
Cignex Datamatics Inc. (Stepdown Subsidiary)	Mrs. Priyadarshini Kanodia
Cignex Datamatics Pte. Limited (Stepdown Subsidiary)	Datamatics Staffing Services Limited (upto March 17, 2019)
Cignex Datamatics GmbH (Stepdown Subsidiary)	Datamatics Business Solutions Limited
Cignex Datamatics UK Limited (Stepdown Subsidiary)	Datamatics Infotech Services Private Limited
Duo Consulting, Inc. (Stepdown Subsidiary)	
Attune Infocom Private Limited (Stepdown Subsidiary)	**(E) Holding Company**
Lumina Datamatics Limited	Delta Infosolutions Private Limited
Lumina Datamatics Inc. (Stepdown Subsidiary)	
Lumina Datamatics GmbH (Stepdown Subsidiary)	
LDR eRetail Limited (Stepdown Subsidiary)	
Lumina Datamatics Assessment and Analytics, LLC (Stepdown Subsidiary)	
Datamatics Digital Limited	
Techjini Inc (Stepdown Subsidiary)	
Datamatics Staffing Services Limited (Stepdown Subsidiary) (w.e.f. March 18, 2019)	

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

(ii) Details of transactions with the related parties stated in (i) above :

(₹ in Millions)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
[A]	**Transactions during the year ended**										
i	**Revenue from operations**	**1,068.92**	**934.20**	**-**	-	**-**	-	**5.57**	1.18	**-**	-
	Datamatics Global Services Inc.	345.52	380.99	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	7.65	6.57	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	8.07	6.33	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	695.43	508.63	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.34	0.54	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	12.45	15.08	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	4.92	16.06	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	(5.46)	-	-	-	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	5.57	1.18	-	-
ii	**Technical fees**	**133.93**	**12.26**	**3.38**	**3.17**	**-**	**-**	**-**	**-**	**-**	**-**
	Datamatics Global Services Inc.	85.70	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	15.32	4.14	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	3.06	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	-	1.76	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	22.53	3.92	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	7.32	2.44	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	3.38	3.17	-	-	-	-	-	-
iii	**Outsourcing cost**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**0.72**	**-**	**-**
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	0.72	-	-
iv	**Expenses incurred by related parties**	**49.69**	**0.05**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Datamatics Global Services Inc.	49.69	-	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	-	0.05	-	-	-	-	-	-	-	-
v	**Expenses incurred for related parties**	**20.57**	**38.28**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
	Cignex Datamatics Technologies Limited	3.65	7.72	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	14.74	28.97	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	1.42	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte Ltd	-	0.02	-	-			-	-	-	-
	Lumina Datamatics GmbH	-	0.05	-	-	-	-	-	-	-	-
	LDR e-Retail Limited	0.76	1.52	-	-	-	-	-	-	-	-
vi	**Recruitment expenses**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**3.50**	**-**	**-**
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	3.50	-	-
vii	**Legal and professional fees**	**-**	**-**	**-**	**-**	**-**	**-**	**0.26**	**0.68**	**-**	**-**
	Datamatics Business Solutions Limited	-	-	-	-	-	-	0.26	0.24	-	-
	Mrs. Aneesha Dalmia	-	-	-	-	-	-	-	0.44	-	-
viii	**Communication expenses**	-	**-**	**-**	**-**	**-**	**-**	**-**	**0.01**	**-**	**-**
	Datamatics Business Solutions Limited	-	-	-	-	-	-	-	0.01	-	-

Notes to the Standalone Financial Statementss *(Contd.)*

As at March 31, 2019

(₹ in Millions)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
ix	**Write off of investment**	-	**195.95**	-	-	-	-	-	-	-	-
	Datamatics Global Services GmbH	-	195.95	-	-	-	-	-	-	-	-
x	**Managerial remuneration**	-	-	-	-	**22.06**	**21.32**	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	8.05	7.31	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	10.55	9.93	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	3.46	4.08	-	-	-	-
xi	**Salaries and allowances**	-	-	-	-	**15.90**	**14.68**	**3.13**	**2.74**	-	-
	Ms. Divya Kumat	-	-	-	-	8.49	7.83	-	-	-	-
	Mr. Sandeep Mantri	-	-	-	-	7.41	6.85	-	-	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	3.13	2.74	-	-
xii	**Commission**	-	-	-	-	**7.70**	**9.98**	**0.21**	**0.15**	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	3.85	4.99	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	3.85	4.99	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.21	0.15	-	-
xiii	**Board sitting fees**	-	-	-	-	-	-	**0.19**	**0.13**	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.19	0.13	-	-
xiv	**Purchase of Property, plant and equipment**	-	-	-	-	-	-	**0.78**	**0.57**	-	-
	Mrs. Aneesha Dalmia	-	-	-	-	-	-	0.78	0.57	-	-
xv	**Corporate guarantee fees**	**0.96**	**1.46**	**1.00**	**1.00**	-	-	-	-	-	-
	Datamatics Global Services Inc.	-	0.50	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	0.96	0.96	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	1.00	1.00	-	-	-	-	-	-
xvi	**Dividend income**	-	-	-	**49.27**	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	49.27	-	-	-	-	-	-
xvii	**Interest expenses**	-	-	-	-	-	**3.32**	-	**1.24**	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	-	1.04	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	-	2.28	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	-	1.24	-	-
xviii	**Repayment of borrowings during the year**	-	-	-	-	-	**72.80**	-	**27.20**	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	-	22.80	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	-	50.00	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	-	27.20	-	-
xix	**Dividend Paid**	-	-	-	-	**1.18**	**5.88**	**1.20**	**5.98**	**7.95**	**39.77**
	Dr. Lalit S. Kanodia	-	-	-	-	0.81	4.04	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	0.37	1.84	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.83	4.13	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	0.37	1.85	-	-
	Delta Infosolutions Private Limited	-	-	-	-	-	-	-	-	7.95	39.77

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

(₹ in Millions)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
xx	**Loans and advances refunded during the year**	**41.67**	**37.09**	**0.01**	**0.01**	-	-	-	**0.48**	-	-
	Datamatics Infotech Limited	15.33	0.04	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	18.69	24.80	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	0.95	0.02	-	-	-	-	-	-	-	-
	Datamatics Global Services Inc.	0.20	1.39	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc	-	3.16	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	-	1.51	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	0.05	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	6.35	5.64	-	-	-	-	-	-	-	-
	LDR e-Retail Limited	-	0.53	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	0.10	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.01	0.01	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	0.48	-	-
xxi	**Loans and advances given during the year**	**47.24**	**31.09**	**0.24**	**0.06**	-	-	**0.26**	**2.00**	-	-
	Datamatics Global Services Inc.	1.33	2.79	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	0.03	-								
	Datamatics Robotics Software Limited	21.82	-								
	Datamatics Infotech Limited	10.06	5.07	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	0.34	0.68	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	1.96	4.90	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	11.68	17.58	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	-	0.07	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	0.02	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.24	0.06	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	-	0.26	2.00	-	-
xxii	**Investment in capital of subsidiaries**	**55.00**	**391.00**	-	-	-	-	-	-	-	-
	Datamatics Digital Limited	55.00	391.00	-	-	-	-	-	-	-	-
xxiii	**Slump Sale**	**18.00**	-	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	18.00	-	-	-	-	-	-	-	-	-
xxiv	**Redemption of preference shares**	**18.33**	**50.03**	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	18.33	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	-	50.03	-	-	-	-	-	-	-	-

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

(₹ in Millions)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
[B]	**Balance as at March 31**										
i	**Loans and advances receivable**	**36.71**	**30.91**	**0.55**	**0.32**	**-**	**-**	**-**	**-**	**-**	**-**
	Datamatics Global Services Inc.	12.05	10.92	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	0.03	0.02	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	0.26	-	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	0.57	7.59	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	0.82	6.09	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	0.31	0.93	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	-	0.05	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	0.05	0.02	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.90	5.29	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	21.72	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.55	0.32	-	-	-	-	-	-
ii	**Payables**	**6.46**	**6.30**	**-**	**-**	**9.20**	**11.30**	**-**	**0.04**	**-**	**-**
	Datamatics Infotech Limited	-	3.92	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	1.00	0.80	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	-	1.58	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	5.46	-	-	-	-	-	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	3.85	4.99	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	3.85	4.99	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	1.50	1.32	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	-	0.04	-	-
iii	**Receivables**	**197.57**	**404.69**	**0.22**	**0.15**	**-**	**-**	**3.43**	**1.64**	**-**	**-**
	Datamatics Global Services Inc.	59.17	253.56	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	1.89	2.29	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	120.33	122.55	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	12.62	4.76	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	-	0.32	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	0.59	19.11	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	2.97	2.10	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.22	0.15	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	3.43	1.64	-	-
iv	**Guarantees**	**48.00**	**48.00**	**50.00**	**50.00**	**-**	**-**	**-**	**-**	**-**	**-**
	Cignex Datamatics Technologies Limited	48.00	48.00	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	50.00	50.00	-	-	-	-	-	-

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

39. Leases

The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 34. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Within one year	19.32	29.68
Later than one year but not later than five years	10.04	27.13
Later than five years	-	-

Rental expense relating to operating leases

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Total rental expense relating to operating leases	55.09	52.47

Notes:

(a) Future lease payments are determined on the basis of terms of the lease agreement.

(b) At the expiry of term of the agreement, the Company has an option either to return the leased asset or extend the term by giving a notice in writing.

(c) There are no sublease payments as well as no contingent rent.

40. Investment in subsidiaries

The Company has investments of ₹ 646.30 million (Previous year ₹ 646.30 million) in two of its wholly owned subsidiaries and has also extended loans and advances of ₹ 12.09 million (Previous year ₹ 11.82 million) to these subsidiaries as on March 31, 2019. The net worth of these subsidiaries as on March 31, 2019 is ₹ 539.48 million (Previous year ₹ 411.64 million) which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future and hence, no provision for diminution in the value of investment has been considered necessary by the management.

41. Earnings per share

	Particulars	March 31, 2019	March 31, 2018
(a)	Net Profit after taxation attributable to equity shareholders (₹ in millions)	292.36	406.69
(b)	Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.)	58,949,337	58,949,337
(c)	Earnings per share (Nominal value per share ₹ 5 each) Basic and Diluted earnings per share (in ₹) (a/b)	4.96	6.90

42. Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation are determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

I. Defined Contribution Plan

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Charge to the Statement of Profit and Loss based on contributions:		
Employers contribution to provident fund	83.51	77.80
Employers contribution to employees' state insurance	15.89	13.94
Employers contribution to employees' pension scheme 1995	2.51	1.98
Employers contribution to labour welfare fund and others	0.27	0.28
Included in contribution to provident fund and other funds (Refer Note No.31)	**102.18**	**94.00**

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

II. Defined Benefit Plan

i) Movement in Present Value of Obligation

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligation as at the beginning	74.64	58.95	46.13	49.23
Current Service Cost	10.62	9.72	14.46	6.94
Interest Expense or Cost	5.74	4.22	3.55	3.52
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in financial assumptions	0.50	(5.00)	0.29	(2.20)
- experience variance (i.e. actual experience vs assumptions)	3.47	6.45	2.95	5.46
Past Service Cost	17.00	9.23	-	-
Benefits Paid	(12.54)	(8.93)	(21.32)	(16.82)
Acquisition adjustment	(0.51)	-	(0.31)	-
Present Value of Obligation as at the end	98.92	74.64	45.75	46.13

ii) Expenses recognised in the income statement and other comprehensive income

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current service cost	10.62	9.72	14.46	6.94
Past service cost	17.00	9.24	-	-
Net interest cost on the net defined benefit liability	5.74	4.22	3.55	3.53
Actuarial (gains) / losses	-	-	3.23	3.26
Expenses recognised in Profit & Loss Account	33.36	23.18	21.24	13.73
Other Comprehensive Income				
Actuarial (gains) / losses				
- Change in financial assumptions	0.50	(5.00)	-	-
- Experience variance	3.47	6.45	-	-
Expenses recognised in OCI	3.97	1.45	-	-

iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate (per annum)	7.65%	7.70%	7.65%	7.70%
Salary growth rate (per annum)	4.50%	4.50%	4.50%	4.50%
Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08

iv) Sensitivity Analysis

(₹ in Millions)

Particulars	Gratuity			
	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	104.12	94.16	79.25	70.44
Salary growth rate (- / + 0.5%)	93.99	104.27	70.59	79.00
Attrition rate (- / + 25%)	98.97	98.87	74.57	74.71
Mortality rate (- / + 10%)	98.80	99.03	74.53	74.75

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

Sensitivity Analysis

(₹ in Millions)

Particulars	Leave Encashment			
	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	52.09	40.54	50.38	42.59
Salary growth rate (- / + 1%)	40.34	52.25	42.46	50.47
Attrition rate (- / + 50%)	43.32	47.85	41.78	49.13
Mortality rate (- / + 10%)	45.69	45.81	46.09	46.17

v) Maturity profile of Defined Benefit obligation

(₹ in Millions)

	Gratuity	Leave Encashment
Expected Cash flow over the next (valued on undiscounted basis)	**Amount**	**Amount**
1 Year	17.82	4.09
2 to 5 years	21.89	9.89
6 to 10 years	36.96	16.82
More than 10 years	200.25	130.05

43. Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(₹ in Millions)

	Contingent Liabilities to the extent not provided for:	March 31, 2019	March 31, 2018
(a)	**Claims against the Company not acknowledged as debt:**		
(i)	Income Tax matters	17.74	17.74
(ii)	PF related matters		
	The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub-judice. As a matter of caution, the Company is consulting in respect of the matter and will make provision on a prospective basis once there is a clarity. However, the impact will be immaterial.		
(b)	**Details of guarantees outstanding as at:**		
(i)	Corporate guarantees provided to banks against credit facilities extended to subsidiaries and joint venture	98.00	98.00
(ii)	Guarantees given by banks	341.60	165.29
(c)	**Capital and other commitments:**		
(i)	Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	-	-

44. Forward contracts in foreign currencies

The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
Not later than one month	139.83	93.27
Later than one month and not later than three months	275.62	187.67
Later than three months and not later than one year	1,088.52	781.54
Later than one year	876.38	215.72
Total	**2,380.35**	**1,278.20**

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(₹ in Millions)

Foreign Currency	March 31, 2019			March 31, 2018		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	183	15.62	28.57	107	11.60	24.28
Euro	35	1.79	5.91	7	0.42	(0.63)
Sterling Pound	212	11.10	39.33	92	4.30	(18.80)
Total			**73.81**			**4.85**

Net gain on derivative instruments of ₹ 73.81 million (FY 2017-18 ₹ 4.85 million) recognised in Hedging Reserve as of March 31, 2019, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2021.

45. Segment Information

The company publishes standalone financial statements of the company along with the consolidated financial statements. In accordance with Ind AS 108 - Operating segments, the company has disclosed the segment information in the consolidated financial statements.

46. Auditor's Remuneration

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
For services as auditors, including quarterly audits	2.80	3.27
For tax audit	0.23	0.23
For other services	0.82	0.85
Reimbursement of out of pocket expenses	-	0.08
Total	**3.85**	**4.43**

47. Loans and advances to Subsidiaries consist of following

(₹ in Millions)

Particulars	Balance Outstanding as on March 31, 2019	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2018	Maximum amount outstanding during the year
Datamatics Global Services Inc. *	12.05	12.05	10.92	10.92
Datamatics Infotech Limited *	0.82	9.57	6.09	6.09
Datamatics Global Services Pty Limited *	0.31	0.93	0.93	0.95
Datamatics Global Technologies AG *	0.05	0.05	0.02	0.02
Lumina Datamatics Limited *	0.90	5.98	5.29	21.75
Cignex Datamatics Technologies Limited*	-	-	-	21.06
Cignex Datamatics Inc.*	-	-	-	3.09
Datamatics Global Services FZ LLC *	0.57	10.68	7.59	18.80
Lumina Datamatics GmbH *	-	0.05	0.05	0.05
Cignex Datamatics Pte. Ltd. *	0.03	0.03	0.02	0.02
Datamatics Robotics Software Limited*	21.72	21.72	-	-
Datamatics Staffing Services Limited*	0.26	0.26	-	-
TOTAL	**36.71**	**61.32**	**30.91**	**82.75**

* Interest free advances.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

48. Loans and advances to Subsidiaries consist of following

a) Loans given

There are no loans / inter corporate deposits given during the year.

b) Investments made

There are no investments by Company other than those stated under Note 5 and Note 11 in the financial statements.

c) Guarantees given

(₹ in Millions)

Particulars	March 31, 2019	March 31, 2018
To secure obligations of subsidiaries and Joint Venture - Guarantees to banks	98.00	98.00

d) Securities given

There are no securities given during the year.

49. Impairment

As per Companies (Accounting Standards) Rules, 2013 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 2013, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

50. Transfer pricing

The Management is of the opinion that its international transactions are at arm's length as per the independent accountants certificate for the year ended March 31, 2019. The Management continues to believe that its international transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

51. Revenue from contract with major customers

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

While disclosing the agreegate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligatons, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the agreegate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets are as follows:

(₹ in Millions)

Particulars	Amount
Balance at beginning of the year	62.51
Revenue recognised during the year	139.30
Invoices raised during the year	157.68
Balance at the end of the year	44.13

52. Events occuring after Balance Sheet date

Dividend

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 0.25 per equity share towards final dividend for the year ended March 31, 2018. Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 9, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 1.00 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting.

Notes to the Standalone Financial Statements *(Contd.)*

As at March 31, 2019

53. Previous year's figures

Previous year figures have been appropriately regrouped / reclassified and rearranged wherever necessary to conform to the current year's presentation.

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

J. P. Bairagra
Partner
Membership No. 012839

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Dated : May 09, 2019

Divya Kumat
EVP, Chief Legal Officer & Company Secretary

Sandeep Mantri
Chief Financial Officer

Statement pursuant to first provision to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to Subsidiary Companies

(₹ in Millions)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Equity	Other Equity	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit / (Loss) before taxation (2)	Provision for taxation (2)	Profit / (Loss) after taxation (2)	Proposed dividend	Percentage of Shareholding	Country
1	Datamatics Global Services Inc	USD	69.14	1,952.64	(1,413.71)	958.24	419.32	-	1,945.68	126.19	4.03	122.16	-	100.00%	USA
2	Datamatics Infotech Limited	GBP	90.05	1.80	159.67	344.72	183.25	-	996.10	54.17	7.54	46.63	-	100.00%	UK
3	Datamatics Global Services Pty Limited	AUD	49.05	2.45	14.40	28.32	11.47	-	51.36	9.37	2.81	6.56	-	100.00%	Australia
4	Datamatics Global Technologies Limited	USD	69.14	923.02	87.27	1,012.55	2.26	-	9.87	1.21	0.18	1.03	-	100.00%	Mauritius
5	Datamatics Global Services Corp	PHP	1.32	26.45	(3.53)	125.74	102.82	-	-	(0.23)	0.83	(1.06)	-	100.00%	Philippines
6	Datamatics Global Services FZ LLC	AED	18.99	0.94	114.63	121.95	6.38	-	92.30	(6.86)	(0.00)	(6.86)	-	100.00%	Dubai
7	Datamatics Global Technologied GmbH	EUR	77.55	-	-	-	-	-	-	-	-	-	-	100.00%	Germany
8	Datamatics Global Technologies AG	CHF	69.50	3.48	(2.92)	2.53	1.98	-	15.39	(1.05)	(0.00)	(1.05)	-	100.00%	Switzerland
9	Datamatics Robotics Software Inc	USD	69.14	0.69	(0.96)	0.63	0.89	-	3.39	(0.97)	0.00	(0.97)	-	100.00%	USA
10	Datamatics Robotics Software Limited	INR	1.00	10.00	(7.53)	16.18	13.71	-	32.83	(8.34)	(2.19)	(6.15)	-	100.00%	India
11	RJ Globus Solutions Inc	PHP	1.32	0.33	(0.53)	6.59	6.79	-	364.60	25.19	1.99	23.20	-	75.00%	Philippines
12	RJ Globus Inc	USD	69.14	0.69	(0.02)	0.67	-	-	-	(0.02)	(0.00)	(0.02)	-	75.00%	USA
13	RJ Globus Solutions Private Limited	INR	1.00	0.10	(0.01)	0.10	0.00	-	-	(0.01)	0.00	(0.01)	-	75.00%	India
14	Lumina Datamatics Limited	INR	1.00	290.80	1,982.36	2,422.93	149.76	63.08	1,372.46	141.69	39.75	101.94	-	98.00%	India
15	Lumina Datamatics Inc	USD	69.14	2,458.22	(168.29)	2,466.34	176.40	0.63	2,299.60	52.00	3.55	48.45	-	98.00%	USA
16	Lumina Datamatics GmbH	EUR	77.55	15.51	1.11	20.98	4.37	-	32.19	0.86	0.17	0.69	-	98.00%	Germany
17	LDR eRetail Limited	INR	1.00	50.00	(33.35)	17.10	0.45	(0.00)	7.53	1.01	0.00	1.01	-	98.00%	India
18	Lumina Datamatics Assessment & Analytics, LLC	USD	69.14	216.84	(108.97)	125.07	-	-	(0.45)	(3.69)	(0.00)	(3.69)	-	63.70%	USA
19	LD Publishing and eRetail Limited	INR	1.00	0.50	(0.03)	0.47	-	-	-	(0.03)	0.00	(0.03)	-	100.00%	India
20	Cignex Datamatics Corporation	USD	69.14	27.25	(70.73)	(43.37)	9.33	-	-	(9.22)	(0.00)	(9.22)	-	61.80%	BVI
21	Cignex Datamatics Inc	USD	69.14	127.70	160.80	672.60	289.09	-	1,358.12	156.37	61.36	95.01	-	61.80%	USA
22	Cignex Datamatics Technologies Limited	INR	1.00	0.50	338.58	498.99	111.04	171.14	848.21	78.97	30.11	48.86	-	61.80%	India
23	Cignex Datamatics Pte. Limited	SGD	51.01	0.00	12.12	35.07	20.13	-	30.95	2.82	0.00	2.82	-	61.80%	Singapore
24	Cignex Datamatics UK Limited	GBP	90.05	0.01	(1.38)	0.64	2.24	-	-	(0.65)	(0.42)	(0.23)	-	61.80%	UK
25	Cignex Datamatics GmbH	EUR	77.55	1.94	0.08	4.17	1.71	-	5.33	0.46	0.02	0.44	-	61.80%	Germany

(₹ in Millions)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Equity	Other Equity	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit / (Loss) before taxation (2)	Provision for taxation (2)	Profit / (Loss) after taxation (2)	Proposed dividend	Percentage of Shareholding	Country
26	Duo Consulting, Inc.	USD	69.14	68.25	(23.83)	101.70	53.45	-	175.46	3.84	(0.00)	3.84	-	40.71%	USA
27	Attune Infocom Private Limited	INR	1.00	9.52	3.04	28.66	13.06	-	65.50	3.91	1.09	2.82	-	31.52%	India
28	Datamatics Digital Limited	INR	1.00	5.50	251.82	299.81	42.49	71.83	510.62	130.87	36.20	94.67	-	81.10%	India
29	Techjini Inc	USD	69.14	0.27	19.51	54.44	34.65	-	215.98	6.48	1.97	4.51	-	81.10%	USA
30	Datamatics Staffing Services Limited	INR	1.00	1.00	9.52	35.94	25.41	1.59	3.60	0.40	-	0.40	-	41.36%	India
31	Cybercom Datamatics Information Solutions Limited	INR	1.00	8.48	142.52	164.73	13.73	62.14	105.18	50.54	10.98	39.57	21.21	50.50%	India

Notes:
1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the Subsidiary Companies, are based on the exchange rates as on March 31, 2019.
2. Converted at monthly average exchange rates.
3. Investments represents investments other than investments in subsidiaries.
4. The reporting period for all the Subsidiaries is March 31, 2019.

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

R. K. Saraswat
DIN 00015095
Director

Sandeep Mantri
Chief Financial Officer

Divya Kumat
EVP, Chief Legal Officer &
Company Secretary

Place : Mumbai
Dated : May 09, 2019

Notes

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