

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF
DATAMATICS GLOBAL SERVICES FZ LLC**

Report on the Financial Statements

We have audited the accompanying Financial Statements of **Datamatics Global Services FZ LLC** ("the company") which comprises the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss for the year then ended and a summary of significant accounting policies and a summary of selected explanatory notes. The accompanying Financial Statements have been prepared by management in accordance with the generally accepted accounting principles applicable in India, solely to enable its holding company Datamatics Global Services Limited ("DGSL"), to prepare its consolidated Financial Statements.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these Financial Statements. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the Financial Statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal controls relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements of Datamatics Global Services FZ LLC as at and for the year ended March 31, 2017 are prepared, in all material respects, in accordance with the generally accepted accounting principles in India.



Basis of Accounting and Restriction on distribution and use

Without modifying our opinion, we draw attention to Note No. 2(b) , which describes the basis and purpose of the Financial Statements. The Financial Statements are prepared solely to enable its holding company, Datamatics Global Services Limited, to prepare its consolidated Financial Statements and are not to be used for any other purpose or to be distributed to any other parties without our prior written consent.

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration Number: 104746W/W100096



Arati Parmar
Partner

Membership No: 102888



Place: Mumbai

Date: May 12, 2017

DATAMATICS GLOBAL SERVICES FZ LLC
BALANCE SHEET As at

Particulars	Note No.	In AED	
		March 31, 2017	March 31, 2016
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	50,000	50,000
Reserves and Surplus	4	70,17,178	43,68,865
		<u>70,67,178</u>	<u>44,18,865</u>
CURRENT LIABILITIES			
Trade Payables		11,94,675	8,01,150
		<u>11,94,675</u>	<u>8,01,150</u>
TOTAL		<u>82,61,853</u>	<u>52,20,015</u>
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	5		
- Property, Plant and Equipments		16,504	1,558
- Intangible Assets		3,44,907	6,53,463
		<u>3,61,411</u>	<u>6,55,021</u>
CURRENT ASSETS			
Trade Receivables	6	22,87,274	30,55,973
Cash and Bank Balances	7	31,00,546	13,00,083
Short-Term loans and advances	8	4,37,599	2,08,938
Other Current assets	9	20,75,023	-
		<u>79,00,442</u>	<u>45,64,994</u>
TOTAL		<u>82,61,853</u>	<u>52,20,015</u>

Significant accounting policies and notes forming part of the financial statements 1-16

Notes forming part of the financial statements

As per our attached report of even date
For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No. 104746W/W100096

Arati



Arati Parmar
Partner
Membership No. 102888

For and on behalf of the Board

Rahul Kanodia

Rahul Kanodia
Director

Divya Kummat

Divya Kummat
Director

Place : Mumbai
Dated : May 12, 2017



DATAMATICS GLOBAL SERVICES FZ LLC
STATEMENT OF PROFIT AND LOSS for the year ended

Particulars	Note No.	In AED	
		March 31, 2017	March 31, 2016
Revenue from operations	10	91,19,224	70,81,241
Other Income	11	2,48,022	-
Total Revenue		93,67,246	70,81,241
EXPENSES			
Employee Benefits Expenses	12	44,71,417	27,41,018
Depreciation and Amortization Expenses	5	4,94,152	2,73,254
Other Expenses	13	17,53,364	6,43,863
Total Expenses		67,18,933	36,58,135
Profit before Tax		26,48,313	34,23,106
Tax Expense			
- Current Tax		-	-
Profit after Tax for the year		26,48,313	34,23,106
Significant accounting policies and notes forming part of the financial statements	1-16		
Notes forming part of the financial statements			

As per our attached report of even date
For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No. 104746W/W100096

Arati Parmar

Arati Parmar
Partner
Membership No. 102888



Place : Mumbai
Dated : May 12, 2017



For and on behalf of the Board

Rahul Kanodia

Rahul Kanodia
Director

Divya Kummat

Divya Kummat
Director

1 COMPANY OVERVIEW

Datamatics Global Services FZ LLC (DGSFZLLC), a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT) and Business Process Outsourcing (BPO) 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

The principal accounting policies adopted by the company are as follows:

(a) Presentation currency

The financial statements are presented in Arab Emirates Dhiram (AED), rounded to the nearest AED.

(b) Basis of accounting and preparation

The financial statements are prepared under the historical cost convention and comply with group accounting policy of its holding Company Datamatics Global Services Limited. The same financial statements has been prepared for the purpose of consolidation at group level.

(c) Use of estimates

The preparation of financial statements as per Generally Accepted Accounting Principals requires management to make estimates and assumptions which affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of financial statements and reported amount of revenue and expenses during the reported period. Actual results could differ from such estimates.

(d) Income and expenditure

Income and expenditure are accounted for on an accrual basis. Revenue from services in recognised based on time and material and billed to the clients as per the term of the contract.

(e) Foreign currency transactions

Transactions in foreign currencies are translated into AED at the rate of exchange ruling on the date of the transaction.

Assets and liabilities, expressed in foreign currencies are translated into AED at the rate of exchange ruling at the end of the reporting period.

Resulting profit or loss is taken to the Statement of Profit and Loss.

(f) Property, plant and equipment

Property and Equipment are valued at cost. Depreciation is provided on Straight Line Method over the estimated useful life of the assets. When the assets are disposed off, the cost in the accumulated depreciation are eliminated from the books of accounts and the gain or loss is recognised.

(g) Intangible asset

Other Intangible Assets

expenditures directly attributable to its development. Management has decided to adopt the policy of amortising software costs over a period of three years on a straight line basis.

(h) Trade and other receivables

Trade and other receivables are stated at their original invoiced value.

(i) Trade and other payables

Trade and other payables are stated at their original invoiced value.



DATAMATICS GLOBAL SERVICES FZ LLC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	March 31, 2017	In AED March 31, 2016
3 SHARE CAPITAL		
Issued, Subscribed and Paid up		
50 (50) Equity Shares of AED 1,000 each fully paid up	50,000	50,000
TOTAL	50,000	50,000
4 RESERVES AND SURPLUS		
Surplus in Statement of Profit and Loss		
Balance brought forward from last year	43,68,865	9,45,759
Add: Profit for the year	26,48,313	34,23,106
TOTAL	70,17,178	43,68,865
6 TRADE RECEIVABLES		
Unsecured		
Over six months from the date they were due for payment		
Considered Good	9,69,235	6,19,043
Others		
Considered Good	13,18,039	24,36,930
TOTAL	22,87,274	30,55,973
7 CASH AND BANK BALANCES		
BANK BALANCES		
- In Current Accounts	31,00,546	13,00,083
TOTAL	31,00,546	13,00,083
8 SHORT TERM LOANS AND ADVANCES		
(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)		
Security Deposits	9,740	21,900
Prepaid Expenses	2,36,820	1,34,615
Advance to Employees	1,64,460	52,423
Advance to Vendors	26,579	-
TOTAL	4,37,599	2,08,938
9 OTHER CURRENT ASSETS		
Other Receivable	6,88,160	-
Unbilled Revenue	13,86,863	-
TOTAL	20,75,023	-



DATAMATICS GLOBAL SERVICES FZ LLC
NOTES FORMING PART OF THE FINANCIAL STATEMENT

5. FIXED ASSETS

In AED

Description	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance as on 01-Apr-16	Additions during the Year	Deductions during the Year	Balance as on 31-Mar-17	Balance upto 01-Apr-16	Additions during the Year	Deductions during the Year	Balance upto 31-Mar-17	Balance as on 31-Mar-17	Balance as on 31-Mar-16
PROPERTY, PLANT AND EQUIPMENTS										
Furniture and Fixture	2,000	9,710	-	11,710	442	906	-	1,348	10,362	1,558
Office equipments	-	2,378	-	2,378	-	118	-	118	2,260	-
Computers	-	4,500	-	4,500	-	618	-	618	3,882	-
TANGIBLE ASSETS TOTAL (A)	2,000	16,588	-	18,588	442	1,642	-	2,084	16,504	1,558
INTANGIBLE ASSETS										
Other Intangible Assets	9,26,514	-	-	9,26,514	2,73,051	3,08,556	-	5,81,607	3,44,907	6,53,463
Computer Software	-	6,24,091	6,24,091	-	-	1,83,953	1,83,953	-	-	-
INTANGIBLE ASSETS TOTAL (B)	9,26,514	6,24,091	6,24,091	9,26,514	2,73,051	4,92,509	1,83,953	5,81,607	3,44,907	6,53,463
TOTAL ASSETS (A+B)	9,28,514	6,40,679	6,24,091	9,45,102	2,73,493	4,94,151	1,83,953	5,83,691	3,61,411	6,55,021
PREVIOUS YEAR										



DATAMATICS GLOBAL SERVICES FZ LLC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	March 31, 2017	In AED March 31, 2016
10 REVENUE FROM OPERATIONS		
Sale of Services:		
Export	2,54,254	1,65,677
Domestic	88,64,970	69,15,564
TOTAL	91,19,224	70,81,241
11 OTHER INCOME		
Profit on sale of Fixed Assets (Net)	2,48,022	-
TOTAL	2,48,022	-
12 EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus and Allowances	43,39,750	26,74,646
Welfare Expenditure	1,31,667	66,372
TOTAL	44,71,417	27,41,018
13 OTHER EXPENSES		
Electricity Expenses	-	14,375
Technical Fees	76,425	4,034
Travelling Expenses	10,74,409	3,25,846
Rent	3,29,382	2,32,592
Rates and Taxes	21,445	23,792
Communication Expenses	57,831	14,736
Legal and Professional charges	77,781	180
Remuneration to Auditors	4,620	9,116
Repairs and Maintenance :		
Repair Others	3,258	2,100
Sales Commission	37,712	-
Subscription Charges	1,169	-
Miscellaneous Expenses	4,135	1,312
Exchange Fluctuation (Net)	17,977	678
Bank and Other charges	38,645	15,102
Recruitment Expenses	7,000	-
Printing and Stationery	1,575	-
TOTAL	17,53,364	6,43,863



DATAMATICS GLOBAL SERVICES FZ LLC
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14 RELATED PARTY DISCLOSURE

Related parties comprise companies under common ownership and/or common management control, associates and shareholders. The nature of significant related party transactions and the amounts involved are as follows:

STATEMENT OF FINANCIAL POSITION:	2016-17	2015-16
(i) Loans and Advances Refunded During the Year Datamatics Global Services Limited (Holding Company)	17,90,633	20,58,898
(ii) Loans and Advances Taken During the Year Datamatics Global Services Limited (Holding Company)	19,80,714	16,70,913
(iii) Included under Trade Payables Datamatics Global Services Limited (Holding Company)	8,46,045	6,55,964
(iv) Sale of Asset Datamatics Technologies Global AG (Fellow Subsidiary)	6,88,160	-
(v) Included in Other Receivable Datamatics Technologies Global AG (Fellow Subsidiary)	6,88,160	-

15 Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation.

16 Figures are rounded off to the nearest of AED.

As per our attached report of even date
For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration-No. 104746W/W100096

Arati Parmar

Arati Parmar
Partner
Membership No. 102888



Place : Mumbai
Dated : May 12, 2017

For and on behalf of the Board

Rahul Kanodia

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Divya Kumari
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