

# M L BHUWANIA AND CO LLP

## CHARTERED ACCOUNTANTS

F-11, 3rd floor, Manek Mahal, 90, Veer Nariman Road, Churchgate, Mumbai - 400 020, INDIA.

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### INDEPENDENT AUDITOR'S REPORT

To,

The Members of **DATAMATICS STAFFING SERVICES LIMITED**

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **DATAMATICS STAFFING SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2020, the profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibility for the Audit of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act 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 audit opinion on the financial statements.

#### Key Audit Matters

We have determined that there are no key audit matters to communicate in our report.

#### Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Financial Statements**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, 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 ("Ind AS"). 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management and Board of Directors are 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 management and Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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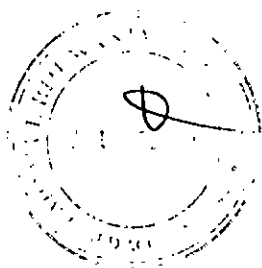
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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 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 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 financial statements, including the disclosures, and whether the 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 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.

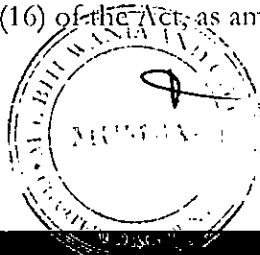


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### Report on Other Legal and Regulatory Requirements

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 Act, 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, based on our audit 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 relating to preparation of the aforesaid financial statements 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 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 does not have any pending litigations which would impact its financial position;
    - 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, 2020.
  - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:



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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.

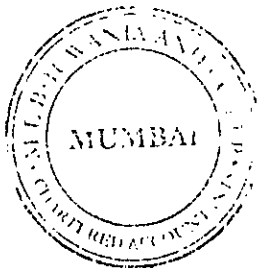
For M L BHUWANIA AND CO LLP  
Chartered Accountants  
FRN: 101484W/W100197



Vijay Kumar Jain  
Partner  
Membership No. 108374  
UDIN: 20108374AAAACQ6751

Place: Mumbai  
Date: August 24, 2020

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90, Veer Nariman Road, Churchgate,  
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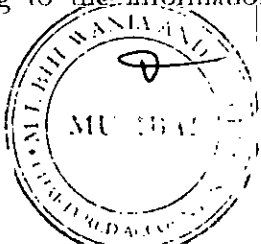
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## CHARTERED ACCOUNTANTS

### ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of DATAMATICS STAFFING SERVICES LIMITED for the year ended March 31, 2020

- 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 program, 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 included in property, plant and equipment, are held in the name of the Company..
- ii. According to the information and explanations provided to us, the Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order is not applicable.
- iii. According to the information and explanations provided to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, sub clauses (a) to (c) of clause 3(iii) of the order are not applicable to the Company.
- iv. In our opinion and according to information and explanations provided to us the Company has complied with provisions of sections 186 of the Companies Act, 2013 in respect of investments made. Section 185 of the Companies Act, 2013 is not applicable as there were no loans, securities and guarantees given during the year.
- v. According to the information and explanations provided to us, 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. Accordingly, 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 product of the Company. Accordingly, clause 3(v) of the order is not applicable.
- vii. (a) According to the information and explanations provided to us and on the basis of our examination of the records, 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 duty, value added tax, cess, Goods & Service Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no



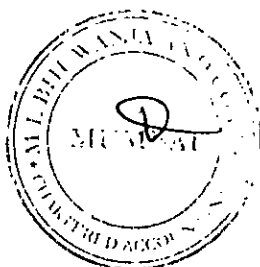
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undisputed arrears of statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of Income Tax, Sales Tax, Value Added Tax, Goods and Service Tax, Custom Duty, Service Tax, Excise Duty and cess which have not been deposited on account of any dispute.

- viii. In our opinion and according to information and explanations provided 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. In our opinion and according to information and explanations provided to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the year. Accordingly, clause 3 (ix) of the Order is not applicable to the Company.
- 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 Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations provided 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. 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.



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- xvi. According to information and explanations provided to us, the Company is not required to be registered under Sec 45-1A 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



Vijay Kumar Jain  
Partner  
Membership No. 108374  
UDIN: 20108374AAAACQ6751

Place: Mumbai  
Date: August 24, 2020

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# M L BHUWANIA AND CO LLP

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### 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")

Referred to in paragraph 2(f) of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the financial statements of the company for the year ended March 31, 2020.

#### Opinion

We have audited the internal financial controls over financial reporting of DATAMATICS STAFFING SERVICES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, to the best of our knowledge and according to the information and explanations provided 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, 2020, based on the criteria for internal financial control over financial reporting 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.

#### Management's Responsibility for Internal Financial Controls

The Company's management and 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 of the Company 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 Act, 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



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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 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.

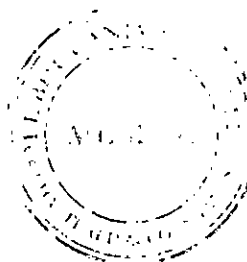
For M L BHUWANIA AND CO LLP  
Chartered Accountants  
FRN: 101484W/W100197



Vijay Kumar Jain  
Partner  
Membership No. 108374  
UDIN: 20108374AAAACQ6751

Place: Mumbai  
Date: August 24, 2020

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Mumbai - 400 020, India.



**DATAMATICS STAFFING SERVICES LIMITED**  
Financial Statements as at March 31, 2020

Balance sheet as at March 31, 2020		(In INR)	
Particulars	Note	Mar 31, 2020	Mar 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	2,343,645	2,601,775
<b>Financial assets</b>			
i. Other financial assets	3	121,700	195,720
Deferred tax assets	25(c)	1,229,247	1,686,846
Non-current tax assets (net)	4	10,551,445	13,575,420
Other non-current assets	5	-	532
<b>Total non-current assets</b>		<b>14,246,037</b>	<b>18,060,292</b>
<b>Current assets</b>			
<b>Financial assets</b>			
i. Investments	6	22,541	1,588,047
ii. Trade receivables	7	9,035,359	12,358,862
iii. Cash and cash equivalents	8	15,601,006	2,285,037
iv. Bank balances other than (iii) above	9	-	100,000
v. Other financial assets	10	35,700	243,139
Other current assets	11	1,613,660	1,223,368
<b>Total current assets</b>		<b>26,308,266</b>	<b>17,798,453</b>
<b>Total Assets</b>		<b>40,554,303</b>	<b>35,858,745</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12(a)	1,000,000	1,000,000
Other equity	12(b)	10,336,564	9,444,961
<b>Total equity</b>		<b>11,336,564</b>	<b>10,444,961</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Provisions	13	3,590,847	3,116,374
<b>Total non-current liabilities</b>		<b>3,590,847</b>	<b>3,116,374</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	14	18,000,000	18,100,000
ii. Trade payables	15	-	-
Dues of Micro enterprises and small enterprises		-	-
Dues other than Micro enterprises and small enterprises		3,404,128	871,540
iii. Other financial liabilities	16	1,197,207	-
Provisions	17	1,429,814	1,185,675
Other current liabilities	18	1,595,743	2,140,195
<b>Total current liabilities</b>		<b>25,626,891</b>	<b>22,297,410</b>
<b>Total liabilities</b>		<b>29,217,738</b>	<b>25,413,784</b>
<b>Total Equity and Liabilities</b>		<b>40,554,303</b>	<b>35,858,745</b>

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  
FRN: 101484W/W100197

*Vijay Kumar Jain*

Vijay Kumar Jain  
Partner  
Membership No. 108374

For and on behalf of the Board

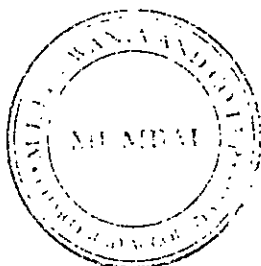
*Lalit S. Kanodia*  
Dr. Lalit S. Kanodia  
DIN 00008050  
Chairman

*Chandrakiran Tambe*

Chandrakiran Tambe  
DIN 06998703  
Managing Director

Place : Mumbai  
Dated : August 24, 2020

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Mumbai - 400 020, India.



**DATAMATICS STAFFING SERVICES LIMITED**  
Financial Statements as at March 31, 2020

Statement of Profit and Loss for the year ended March 31, 2020			
			(In INR)
Particulars	Note	Mar 31, 2020	Mar 31, 2019
Revenue from operations	19	77,433,055	76,902,107
Other income	20	1,985,903	711,167
<b>Total income</b>		<b>79,418,958</b>	<b>77,613,274</b>
<b>Expenses</b>			
Employee benefit expenses	21	68,038,547	59,293,359
Finance costs	22	1,347,682	68,269
Depreciation and amortisation expenses	23	497,857	513,648
Other expenses	24	7,968,747	9,894,540
<b>Total expenses</b>		<b>77,852,832</b>	<b>69,769,816</b>
<b>Profit before tax</b>		<b>1,566,126</b>	<b>7,843,458</b>
Tax expense			
- Current tax	25(a)	627,314	1,690,902
- Deferred tax	25(a)	(4,145)	(1,304,405)
<b>Total tax expenses</b>		<b>623,169</b>	<b>386,497</b>
<b>Profit for the year</b>		<b>942,957</b>	<b>7,456,961</b>

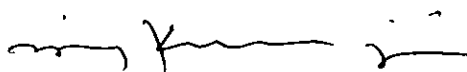
**Statement of other comprehensive income (OCI) for the year ended March 31, 2020**

Particulars	Note	Mar 31, 2020	Mar 31, 2019
<i>Items that will not be reclassified to profit or loss</i>			
Actuarial gains and losses		(69,397)	37,507
Tax relating to above		18,043	(115,791)
		<b>(51,354)</b>	<b>(78,284)</b>
<b>OCI for the year</b>		<b>(51,354)</b>	<b>(78,284)</b>
<b>Total comprehensive income for the year</b>		<b>891,603</b>	<b>7,378,677</b>
<b>Earnings per Equity Share (of Rs. 10 each)</b>			
Basic and Diluted	33	9.43	74.57

The accompanying notes forming an integral part of the financial statements

As per our attached report of even date

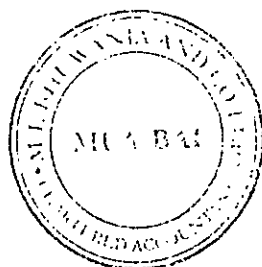
**For M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197



**Vijay Kumar Jain**  
Partner  
Membership No. 108374

Place : Mumbai  
Dated : August 24, 2020

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.



For and on behalf of the Board

  
**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman

  
**Chandrakiran Tambe**  
DIN 06998703  
Managing Director



**DATAMATICS STAFFING SERVICES LIMITED**  
Financial Statements as at March 31, 2020

Statement of changes in equity for the year ended March 31, 2020

**A. Equity share capital**

Particulars	(In INR)
As at March 31, 2018	10,000,000
Changes in equity share capital	-
As at March 31, 2019	10,000,000
Changes in equity share capital	-
As at March 31, 2020	10,000,000

**B. Other equity**

(In INR)

Particulars	Reserves and surplus		Other comprehensive income	Total other equity
	Retained earnings	Capital redemption reserve	Actuarial gains and losses	
As at March 31, 2018	1,658,440	-	407,844	2,066,284
Profit for the year	7,456,961	-	-	7,456,961
Transfer to Capital Redemption Reserve	(6,000,000)	6,000,000	-	-
Other comprehensive income	-	-	(78,284)	(78,284)
As at March 31, 2019	3,115,401	6,000,000	329,560	9,444,961
Profit for the year	942,957	-	-	942,957
Other comprehensive income	-	-	(51,354)	(51,354)
As at March 31, 2020	4,058,358	6,000,000	278,206	10,336,564

As per our attached report of even date

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



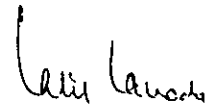
Vijay Kumar Jain  
Partner  
Membership No. 108374

Place : Mumbai  
Dated : August 24, 2020

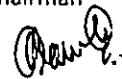
F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.



For and on behalf of the Board



Dr. Lalit S. Kanodia  
DIN 00008050  
Chairman



Chandrakiran Tambe  
DIN 06998703

Managing Director



**DATAMATICS STAFFING SERVICES LIMITED**  
Cash flow statement for the year ended March 31, 2020

(In INR)

	Mar 31, 2020	Mar 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,566,126	7,843,458
<b>Adjustments for :</b>		
Depreciation and amortisation expense	497,857	513,648
Sundry balances written back	(306,010)	-
Finance cost	1,330,627	68,269
Unrealised gain on fair value of financial assets (Net)	(24,998)	-
Dividend income	(434,494)	(432,148)
Interest income	(2,350)	(12,284)
<b>Operating profit before working capital changes</b>	<b>2,626,758</b>	<b>7,980,943</b>
<b>Adjustments for :</b>		
Increase in trade receivables	3,629,512	(3,408,925)
Decrease / (Increase) in loans	-	79,830
Increase in other financial and non-financial assets	(84,520)	(1,340,674)
Increase in trade payables	2,532,588	(23,681)
Increase in other financial and non-financial liabilities	99,875	(118,256)
<b>Cash generated from operations</b>	<b>8,804,213</b>	<b>3,169,236</b>
Direct taxes paid (net)	2,876,449	(4,567,844)
<b>Net cash flow from operating activities (A)</b>	<b>11,680,662</b>	<b>(1,398,608)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(239,727)	-
Purchase / Sale of long-term investments (Net)	1,565,506	8,000,000
Dividend received	434,494	-
Interest received	8,454	12,284
<b>Net cash flow used in investing activities (B)</b>	<b>1,768,727</b>	<b>8,012,284</b>
<b>C. Cash flow from financing activities</b>		
Procurement/(Proceeds) from short-term borrowings	(100,000)	-
Redemption of Preference shares	-	(6,000,000)
Interest paid	(133,420)	(68,269)
<b>Net cash flow used in financing activities (C)</b>	<b>(233,420)</b>	<b>(6,068,269)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>13,215,969</b>	<b>545,407</b>
Cash and cash equivalents at the beginning of the year	2,385,037	1,839,630
<b>Net cash and cash equivalents at the end of the year (Refer Note No. 8 &amp; 9)</b>	<b>15,601,006</b>	<b>2,385,037</b>

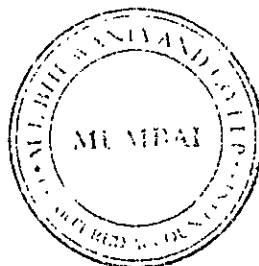
As per our attached report of even date

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

Vijay Kumar Jain  
Partner  
Membership No. 108374

Place : Mumbai  
Dated : August 24, 2020

F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Churchgate,  
Mumbai - 400 020, India.



For and on behalf of the Board

Dr. Lalit S. Kanodia  
DIN 00008050  
Chairman

Chandrakiran Tambe  
DIN 06998703  
Managing Director



**DATAMATICS STAFFING SERVICES LIMITED**  
**Financial Statements as at March 31, 2020**

**Note 1: Significant accounting policies**

**a) Company Overview**

Datamatics Staffing Services Limited (DSSL) was incorporated on April 25, 2003 as Private Limited company. The Company has been converted to a Public Limited Company as "Datamatics Staffing Services Limited" with effect from August 23, 2013. With effect from 18th March, 2019 the company has been acquired by Datamatics Digital Limited (Holding Company). The Company is engaged into Manpower Recruitment Consultancy and Manpower Supply.

**b) Significant Accounting Policies**

**i) Basis of Preparation of Financial Statements:**

**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 financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

**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;
- \* defined benefit plans – plan assets measured at fair value

**c) 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.

**d) 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.

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.

**e) Revenue recognition**

Revenue is recognised upon transfer of control of promised services to customers in an amount that reflects the consideration we expect to receive in exchange for those services (net of goods and services tax).

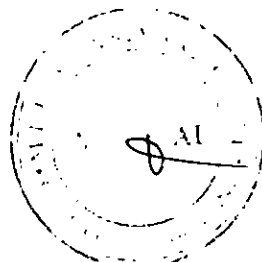
Revenue is received in the form of fees, for placements at various levels in a client's organization. Revenue is recognized on the successful completion of the search and selection activity and are recognised in the accounting period in which the services are rendered. When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.

Cost and earnings in excess of billings are classified 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.

**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.

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.



**DATAMATICS STAFFING SERVICES LIMITED**  
**Financial Statements as at March 31, 2020**

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 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**

**As a lessee**

The Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics. Basis this Right to use and Lease liability is accounted in the books.

**h) 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.

**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 Company 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 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.

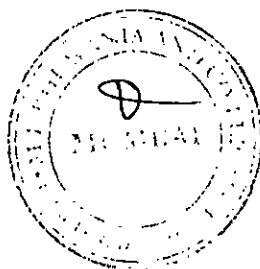
For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether 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.





iii) **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 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 company subsequently measures all equity investments at fair value (except investment in subsidiaries and joint venture which are at amortised cost). 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.

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.

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.

m) **Offsetting financial instruments**

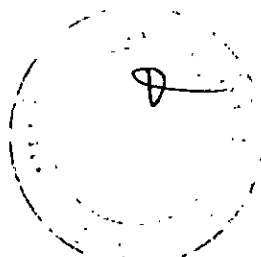
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable 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 company or the counterparty.

n) **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 as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013.



**o) Intangible assets**

**i) 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.

**ii) 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.

**ii) Amortisation methods and periods**

The company does not have any intangible assets

**p) 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.

**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 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.

**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 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, 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.

**t) 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 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.

**u) Contributed equity**

Equity shares are classified as equity.

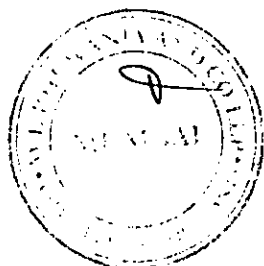
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**v) Earnings per share**

In determining Earnings per Share, the 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.

**w) Standards issued but not effective**

Ministry of Corporate Affairs ("MCA"), notifies new standard or amendments to existing standards. There is no such notification which would have been applicable from April 1, 2020.

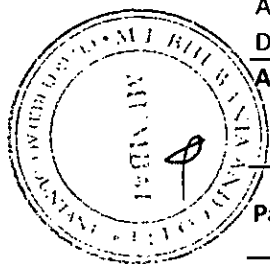


**DATAMATICS STAFFING SERVICES LIMITED**  
**Financial Statements as at March 31, 2020**

**Note 2 - Property, plant and equipment**

(In INR)

Particulars	BUILDINGS	FURNITURE & FIXTURES	OFFICE EQUIPMENTS	COMPUTERS	AIR CONDITIONERS	ELECTRICAL FITTINGS	Total
<b>Gross block</b>							
As at March 31, 2018	2,495,825	1,227,459	228,760	2,541,790	544,932	47,740	7,086,506
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2019	2,495,825	1,227,459	228,760	2,541,790	544,932	47,740	7,086,506
Additions	-	-	12,027	66,300	161,400	-	239,727
Disposals	-	-	-	-	-	-	-
As at March 31, 2020	2,495,825	1,227,459	240,787	2,608,090	706,332	47,740	7,326,233
<b>Accumulated depreciation</b>							
As at March 31, 2018	511,433	773,218	195,841	2,030,218	425,501	34,872	3,971,083
Depreciation charge during the year	89,365	140,996	8,787	187,199	80,849	6,452	513,648
Disposals	-	-	-	-	-	-	-
As at March 31, 2019	600,798	914,214	204,628	2,217,417	506,350	41,324	4,484,731
Depreciation charge during the year	89,610	140,821	9,415	207,635	43,960	6,416	497,857
Disposals	-	-	-	-	-	-	-
As at March 31, 2020	690,408	1,055,035	214,043	2,425,052	550,310	47,740	4,982,588
Net carrying amount as at March 31, 2020	1,805,417	172,424	26,744	183,038	156,022	-	2,343,645
Net carrying amount as at March 31, 2019	1,895,027	313,245	24,132	324,373	38,582	6,416	2,601,775



**DATAMATICS STAFFING SERVICES LIMITED**  
Financial Statements as at March 31, 2020

**Note 3 - Other non-current financial assets**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Unsecured, Considered good unless otherwise specified- Security deposits	121,700	195,720
<b>Total</b>	<b>121,700</b>	<b>195,720</b>

**Note 4 - Other non-current tax assets**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Advance tax and tax deducted at source (net of provision for tax)	10,551,445	13,575,420
<b>Total</b>	<b>10,551,445</b>	<b>13,575,420</b>

**Note 5 - Other non-current assets**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Prepaid expenses	-	532
<b>Total</b>	<b>-</b>	<b>532</b>

**Note 6 - Current Investments**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Investment In Liquid Funds Quoted (at FVTPL) 22.103 (P.Y. 1557.185) units of HDFC Liquid Funds Reinvest Daily Div (Face Value of INR 1000/- each) 1019.82) (P.Y. 1019.82)	(NAV INR 22,541	1,588,047
<b>Total</b>	<b>22,541</b>	<b>1,588,047</b>

**Note 7 - Trade receivables**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Unsecured Considered Good	9,035,359	12,358,862
Less :- Allowance for expected credit loss	-	-
Credit Impaired	9,035,359	12,358,862
Less :- Allowance for Expected Credit Loss (Refer Note No. 27)	-	754,617
<b>Total</b>	<b>9,035,359</b>	<b>12,358,862</b>

**Note 8 - Cash and cash equivalents**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Balances with bank: - in Current Account	15,566,600	2,217,429
Cash on hand	34,406	67,608
<b>Total</b>	<b>15,601,006</b>	<b>2,285,037</b>

**Note 9 - Other bank balances**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Margin money deposits*	-	100,000
<b>Total</b>	<b>-</b>	<b>100,000</b>

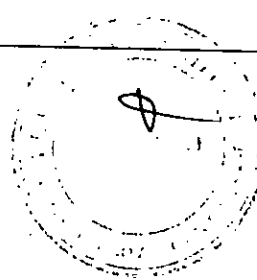
\* Of the above Rs. Nil ( As at March 31, 2019: Rs. 1,00,000) are marked as lien for Corporate guarantees provided to Indian Overseas Bank to Ministry of External Affairs.

**Note 10 - Other current financial assets**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Unsecured, Considered good unless otherwise specified- Security Deposits	35,700	237,035
Interest receivable	-	6,104
<b>Total</b>	<b>35,700</b>	<b>243,139</b>

**Note 11 - Other current assets**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Advance to Employees	4,977	-
Prepaid expenses	1,400,750	1,223,368
Unbilled Revenue	207,933	-
<b>Total</b>	<b>1,613,660</b>	<b>1,223,368</b>



Note 12 - Share capital and other equity

12(a) - Equity share capital

(i) Authorised share capital of face value of Rs. 10/- each

Particulars	Number of shares	In INR
As at March 31, 2018	1,000,000	10,000,000
Increase during the year	-	-
As at March 31, 2019	1,000,000	10,000,000
Increase during the year	-	-
As at March 31, 2020	1,000,000	10,000,000

Authorised 8% optionally convertible non cumulative redeemable preference share capital of face value of Rs. 100/- each

Particulars	Number of shares	In INR
As at March 31, 2018	400,000	40,000,000
Increase during the year	-	-
As at March 31, 2019	400,000	40,000,000
Increase during the year	-	-
As at March 31, 2020	400,000	40,000,000

Issued, Subscribed and Paid-up equity share capital of face value of Rs. 10/- each

Particulars	Number of shares	In INR
As at March 31, 2018	100,000	1,000,000
Increase during the year	-	-
Decrease during the year	-	-
As at March 31, 2019	100,000	1,000,000
Increase during the year	-	-
Decrease during the year	-	-
As at March 31, 2020	100,000	1,000,000

Issued, Subscribed and Paid-up 8% optionally convertible non cumulative redeemable preference share capital of face value of Rs. 100/- each

Particulars	Number of shares	In INR
As at March 31, 2018	60,000	6,000,000
Increase during the year	-	-
Decrease during the year	60,000	6,000,000
As at March 31, 2019	-	-
Increase during the year	-	-
Decrease during the year	-	-
As at March 31, 2020	-	-

(ii)(a) Movements in equity share capital

Particulars	Number of shares	In INR
As at March 31, 2018	100,000	1,000,000
Other Movements	-	-
As at March 31, 2019	100,000	1,000,000
Other Movements	-	-
As at March 31, 2020	100,000	1,000,000

(ii)(b) Movements in 8% optionally convertible non cumulative redeemable preference share capital

Particulars	Number of shares	In INR
As at March 31, 2018	60,000	6,000,000
Redemption of Preference shares at par	60,000	6,000,000
As at March 31, 2019	-	-
Other Movements	-	-
As at March 31, 2020	-	-

(iii) Shares of the company held by holding company

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
51,000 Equity shares of Rs. 10/- held by Datamatics Digital Limited	510,000	510,000

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	Mar 31, 2020		Mar 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Equity Shares				
Datamatics Digital Limited	51,000	51.00%	51,000	51.00%
Mrs Asha Kanodia	46,510	46.51%	46,510	46.51%

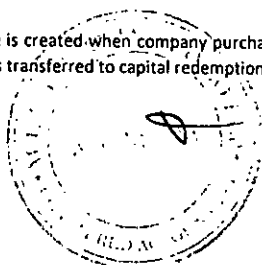
12(b) - Other Equity

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Retained earnings	4,058,358	3,115,401
Capital redemption reserve	6,000,000	6,000,000
OCI -		
Actuarial gains and losses	278,206	329,560
Total	10,336,564	9,444,961

Nature of reserves

(i) 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 redemption value of the preference shares is transferred to capital redemption reserve.



**DATAMATICS STAFFING SERVICES LIMITED**  
**Financial Statements as at March 31, 2020**

**Note 13 - Non-current Provisions**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
<b>Provisions for employee benefits</b>		
Gratuity (Refer Note No. 30)	2,731,420	1,896,166
Leave Encashment (Refer Note No. 30)	859,427	1,220,208
<b>Total</b>	<b>3,590,847</b>	<b>3,116,374</b>

**Note 14 - Current borrowings**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
<b>Unsecured</b>		
From related parties		
- Loan from Director (Refer Note No 14.1)	-	18,100,000
- Loan from Holding Company (Refer Note No 14.2)	18,000,000	-
<b>Total</b>	<b>18,000,000</b>	<b>18,100,000</b>

Note No 14.1 Loan from directors is repayable on demand and the same is Interest free  
 Note No 14.2 Loan is repayable on Demand. The rate of interest is 8.40 % p.a.

**Note 15 - Trade payables**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Dues of Micro enterprise and small enterprises	-	-
Dues other than Micro enterprise and small enterprises	3,404,128	871,540
<b>Total</b>	<b>3,404,128</b>	<b>871,540</b>

in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, there is no dues to Micro and Small Enterprises as at March 31, 2020. Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the management.

Particulars	(In INR)	
	March 31, 2020	March 31, 2019
(a) Dues remaining unpaid		
- Principal	-	-
- Interest on above	-	-
(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 accrued and unpaid	-	-

**Note 16 - Other Financial liabilities (Current)**

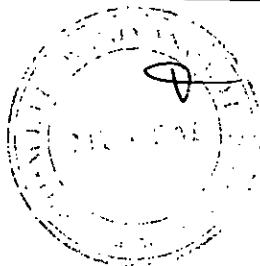
Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
<b>Term Loans</b>		
Interest accrued but not due	1,197,207	-
<b>Total</b>	<b>1,197,207</b>	<b>-</b>

**Note 17 - Current Provisions**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
<b>Provisions for employee benefits</b>		
Gratuity (Refer Note No. 30)	871,102	1,025,428
Leave Encashment (Refer Note No. 30)	558,712	160,247
<b>Total</b>	<b>1,429,814</b>	<b>1,185,675</b>

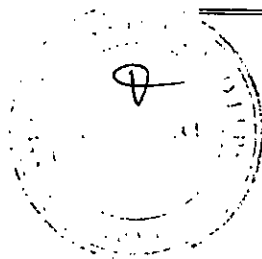
**Note 18 - Other current liabilities**

Particulars	(In INR)	
	Mar 31, 2020	Mar 31, 2019
Statutory dues (net)	1,567,137	1,892,651
Advance from customers	28,606	247,544
<b>Total</b>	<b>1,595,743</b>	<b>2,140,195</b>



**DATAMATICS STAFFING SERVICES LIMITED**  
**Financial Statements as at March 31, 2020**

<b>Note 19 - Revenue from operations</b>		
	(In INR)	
Particulars	Mar 31, 2020	Mar 31, 2019
Sale of Services	77,433,055	76,902,107
<b>Total</b>	<b>77,433,055</b>	<b>76,902,107</b>
<b>Note 20 - Other income</b>		
	(In INR)	
Particulars	Mar 31, 2020	Mar 31, 2019
Interest from Bank	2,350	7,459
Interest Others	956,682	4,825
Dividend received on Mutual Funds	434,494	432,148
Sundry balances written back (Net)	306,010	-
Exchange gain (Net)	226,185	248,553
Miscellaneous receipts	60,182	18,182
<b>Total</b>	<b>1,985,903</b>	<b>711,167</b>
<b>Note 21 - Employee benefit expenses</b>		
	(In INR)	
Particulars	Mar 31, 2020	Mar 31, 2019
Basic Salary, Wages & Allowances	64,151,695	55,384,717
Contribution towards PF & Other funds	3,295,897	3,058,751
Staff Welfare	590,955	849,891
<b>Total</b>	<b>68,038,547</b>	<b>59,293,359</b>
<b>Note 22 - Finance costs</b>		
	(In INR)	
Particulars	Mar 31, 2020	Mar 31, 2019
Interest on loan from banks	147	268
Interest on loan others (Refer Note No 29)	1,330,480	43,001
Other finance charges	17,055	25,000
<b>Total</b>	<b>1,347,682</b>	<b>68,269</b>
<b>Note 23 - Depreciation and Amortisation Expenses</b>		
	(In INR)	
Particulars	Mar 31, 2020	Mar 31, 2019
Depreciation on property plant and equipment	497,857	513,648
<b>Total</b>	<b>497,857</b>	<b>513,648</b>
<b>Note 24 - Other expenses</b>		
	(In INR)	
Particulars	Mar 31, 2020	Mar 31, 2019
Technical fees	517,449	1,459,617
Outsourcing cost	336,704	556,270
Recruitment charges	3,144,392	2,119,455
Travelling expenses	275,855	466,051
Rent	653,370	1,129,000
Electricity expenses	614,618	703,771
Communication charges	425,699	613,862
Rates & Taxes	343,434	473,690
Repairs & Maintenance expenses	435,418	614,524
Hire charges	-	67,752
Legal & Professional expenses	749,125	1,312,644
Board Sitting Fees	-	30,000
Audit fees (Refer Note No 33)	109,015	70,842
Subscription expenses	63,025	37,343
Printing & Stationery	75,423	98,187
Entertainment Expenses	2,423	14,368
Bank charges	40,002	39,674
Advertisement expenses	-	43,700
Sales promotion	155,638	-
Bad Debts Written off	754,617	-
Less: Allowance for doubtful debts written back	(754,617)	-
Miscellaneous expenses	27,157	43,790
<b>Total</b>	<b>7,968,747</b>	<b>9,894,540</b>



**DATAMATICS STAFFING SERVICES LIMITED**  
Financial Statements as at March 31, 2020

**Note 25 - Taxation**

**25(a) - Income tax expense**

Particulars	(In INR)	
	March 31, 2020	March 31, 2019
<b>Current tax</b>		
Current tax on profits for the year	362,647	1,690,902
Adjustments for current tax of prior periods	264,667	-
<b>Total current tax expense</b>	<b>627,314</b>	<b>1,690,902</b>
<b>Deferred tax</b>		
(Decrease)/Increase in deferred tax liabilities	(41,365)	(276,112)
Adjustments for deferred tax of prior periods	37,220	(1,028,293)
<b>Total deferred tax expense/(benefit)</b>	<b>(4,145)</b>	<b>(1,304,405)</b>
<b>Income tax expense</b>	<b>623,169</b>	<b>386,497</b>

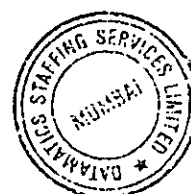
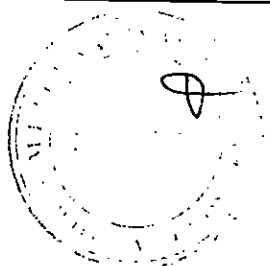
**25(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates**

Particulars	(In INR)	
	March 31, 2020	March 31, 2019
Profit for the year	1,566,126	7,843,458
Statutory tax rate applicable to Datamatics Global Services Limited	26.00%	26.00%
Tax expense at applicable tax rate	407,193	2,039,299
Tax effects of:		
Amounts which are not deductible (taxable)	27,058	11,180
Dividend Income exempt from tax	(112,968)	(93,180)
Adjustments for current tax of prior periods	246,862	(1,028,293)
Other	-	(542,509)
<b>Income tax expense</b>	<b>568,144</b>	<b>386,497</b>

**25(c) - Deferred tax**

Particulars	(In INR)				
	March 31, 2019	Recognized in P&L	Recognized in OCI	MAT credit utilised/Adjusted	March 31, 2020
Employee Benefits	1,120,717	166,612	18,043	-	1,305,372
Provision for doubtful debts & ECL	196,200	(196,200)	-	-	-
MAT Credit	498,232	-	-	(479,788)	18,444
<b>Total Deferred Tax Assets</b>	<b>1,815,149</b>	<b>(29,588)</b>	<b>18,043</b>	<b>(479,788)</b>	<b>1,323,816</b>
Depreciation	128,303	(33,734)	-	-	94,569
<b>Total Deferred Tax Liabilities</b>	<b>128,303</b>	<b>(33,734)</b>	<b>-</b>	<b>-</b>	<b>94,569</b>
<b>Net Deferred Tax</b>	<b>1,686,846</b>	<b>4,146</b>	<b>18,043</b>	<b>(479,788)</b>	<b>1,229,247</b>

Particulars	(In INR)				
	March 31, 2018	Recognized in P&L	Recognized in OCI	MAT credit utilised/Adjusted	March 31, 2019
Employee Benefits	-	1,236,508	(115,791)	-	1,120,717
Provision for doubtful debts & ECL	-	196,200	-	-	196,200
MAT Credit	803,031	-	-	(304,799)	498,232
<b>Total Deferred Tax Assets</b>	<b>803,031</b>	<b>1,432,708</b>	<b>(115,791)</b>	<b>(304,799)</b>	<b>1,815,149</b>
Depreciation	-	128,303	-	-	128,303
<b>Total Deferred Tax Liabilities</b>	<b>-</b>	<b>128,303</b>	<b>-</b>	<b>-</b>	<b>128,303</b>
<b>Net Deferred Tax</b>	<b>803,031</b>	<b>1,304,405</b>	<b>(115,791)</b>	<b>(304,799)</b>	<b>1,686,846</b>





Note 26: Fair value measurements

Financial instruments by category

Particulars	March 31, 2020		March 31, 2019	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
Investments				
- Mutual funds	22,541	-	1,588,047	-
Trade receivables	-	9,035,359	-	12,358,862
Cash and cash equivalents	-	15,601,006	-	2,285,037
Bank balances other than Cash and cash equivalents	-	-	-	100,000
Security deposit	-	157,400	-	432,755
Other Receivable	-	-	-	6,104
<b>Total financial assets</b>	<b>22,541</b>	<b>24,793,765</b>	<b>1,588,047</b>	<b>15,182,758</b>
<b>Financial liabilities</b>				
Borrowings	-	18,000,000	-	18,100,000
Trade payables	-	3,404,128	-	871,540
Other payables	-	1,197,207	-	-
<b>Total financial liabilities</b>	<b>-</b>	<b>22,601,335</b>	<b>-</b>	<b>18,971,540</b>

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. An explanation of each level follows underneath the table.

(In INR)			
Financial assets and liabilities measured at fair value At 31 March 2020	Level 1	Level 2	Total
<b>Financial assets</b>			
Financial Investments at FVTPL			
Mutual funds	22,541	-	22,541
<b>Total financial assets</b>	<b>22,541</b>	<b>-</b>	<b>22,541</b>

(In INR)			
Financial assets and liabilities measured at fair value At 31 March 2019	Level 1	Level 2	Total
<b>Financial assets</b>			
Financial Investments at FVTPL			
Mutual funds	1,588,047	-	1,588,047
<b>Total financial assets</b>	<b>1,588,047</b>	<b>-</b>	<b>1,588,047</b>

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.

There are no transfers between levels 1 and 2 during the year.

ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

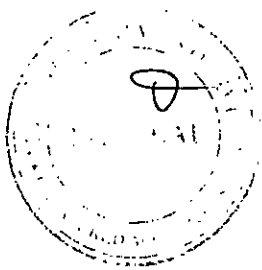
\* the use of quoted market prices or dealer quotes for similar instruments

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 and cash and cash equivalents 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.



Note 27: Financial risk management

The Company's activities expose it to market risk, credit risk, liquidity risk and price risk.

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.	Credit ratings, Review of aging analysis, on quarterly basis.	Diversification of bank deposits, credit limits.
Liquidity risk	Borrowings, Trade payable and Other financial liabilities.	Maturity analysis, cash flow forecasts	Maintaining sufficient cash / cash equivalents and marketable security and focus on realisation of receivables.
Market risk – foreign exchange	Export Receivables.	Foreign currency exposure review and sensitivity analysis.	The company partly hedged due to natural hedge and is exploring to hedge its unhedged positions.
Market risk – security prices	Investments In Mutual Funds.	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 affecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

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).

A) 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, 2020 and March 31, 2019 is the carrying value of such trade receivables as shown in note 7 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	In INR
Loss allowance on March 31, 2018	754,617
Changes in loss allowance	-
Loss allowance on March 31, 2019	-
Changes in loss allowance	(754,617)
Loss allowance on March 31, 2020	(754,617)

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.



Note 27: Financial risk management

The Company's activities expose it to market risk, credit risk, liquidity risk and price risk.

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.	Credit ratings, Review of aging analysis, on quarterly basis.	Diversification of bank deposits, credit limits.
Liquidity risk	Borrowings, Trade payable and Other financial liabilities.	Maturity analysis, cash flow forecasts	Maintaining sufficient cash / cash equivalents and marketable security and focus on realisation of receivables.
Market risk – foreign exchange	Export Receivables.	Foreign currency exposure review and sensitivity analysis.	The company partly hedged due to natural hedge and is exploring to hedge its unhedged positions.
Market risk – security prices	Investments in Mutual Funds.	Sensitivity analysis	Portfolio diversification

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A) 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.

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Reconciliation of loss allowance provision – Trade receivables

Particulars	In INR
Loss allowance on March 31, 2018	754,617
Changes in loss allowance	-
Loss allowance on March 31, 2019	-
Changes in loss allowance	(754,617)
Loss allowance on March 31, 2020	(754,617)

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.



**DATAMATICS STAFFING SERVICES LIMITED**  
Financial Statements as at March 31, 2020

**Note 29: 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) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel**  
Datamatics Business Solutions Limited  
Lumina Datamatics Limited  
Mrs. Asha L. Kanodia

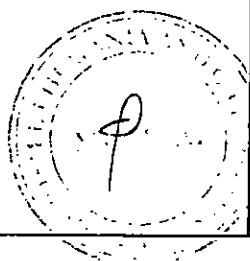
**(B) Key Managerial Personnel**  
Dr. Lalit S. Kanodia, Chairman  
Mr. Rahul L. Kanodia, Director  
Mr. Chandrakiran Tambe, Managing Director

**(C) Holding Company**  
Datamatics Digital Limited (w.e.f. 18th March, 2019)

**(D) Ultimate Parent Company**  
Datamatics Global Services Limited

(ii) Details of transactions with the related parties stated in (i) above :

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		(In INR)							
<b>[A]</b>	<b>Transactions during the year ended</b>								
i	Subscription Charges	10,000	10,000	-	-	-	-	-	-
	Datamatics Business Solutions Limited	10,000	10,000	-	-	-	-	-	-
ii	Sale of Services	660,000	592,444	-	-	-	-	-	-
	Lumina Datamatics Limited	660,000	592,444	-	-	-	-	-	-
iii	Managerial remuneration	-	-	4,851,000	4,851,000	-	-	-	-
	Mr. Chandrakiran Tambe	-	-	4,851,000	4,851,000	-	-	-	-
iv	Board sitting fees	-	-	-	20,000	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	10,000	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	10,000	-	-	-	-
v	Expenses incurred on behalf of Related Parties	-	-	-	-	-	-	301,372	615,958
	Datamatics Global Services Limited	-	-	-	-	-	-	301,372	615,958
vi	Interest expenses	-	-	-	-	1,330,230	-	-	-
	Datamatics Digital Limited	-	-	-	-	1,330,230	-	-	-
vii	Borrowings during the year	-	-	-	-	18,000,000	-	-	-
	Datamatics Digital Limited	-	-	-	-	18,000,000	-	-	-
viii	Borrowings repaid during the year	-	-	18,100,000	-	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	18,100,000	-	-	-	-	-
ix	Redemption of preference shares	-	6,000,000	-	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	6,000,000	-	-	-	-	-	-
<b>[B]</b>	<b>Balance as at March 31 2020</b>								
i	Loan Payable	-	-	-	18,100,000	19,197,207	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	18,100,000	-	-	-	-
	Datamatics Digital Limited	-	-	-	-	18,000,000	-	-	-
ii	Interest Payable	-	-	-	-	-	-	-	-
	Datamatics Digital Limited	-	-	-	-	1,197,207	-	-	-



Note 30: 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.

Sr. No	Particulars	(In INR)	
		Mar 31, 2020	Mar 31, 2019
I.	<b>Defined Contribution Plan</b>		
	Charge to the Statement of Profit and Loss based on contributions:		
	Employers contribution to provident fund	2,634,707	2,386,831
	Employers contribution to employees' state insurance	45,303	113,106
	Employers contribution to labour welfare fund and others	4,356	4,222
	Included In contribution to provident fund and other funds	2,684,366	2,504,159

II. Defined Benefit Plan

i) Movement In Present Value of Obligation

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Present Value of Obligation as at the beginning	4,732,505	4,163,115	1,380,455	1,275,528
Current Service Cost	392,583	370,834	37,684	104,927
Interest Expense or Cost	367,242	321,809	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change In financial assumptions	32,184	(49,827)	-	-
Benefits Paid	(384,721)	(73,426)	-	-
Present Value of Obligation as at the end	5,139,793	4,732,505	1,418,139	1,380,455

ii) Change in the Fair Value of Plan Assets

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Fair Value of Plan Assets at the Beginning of the Period	1,810,911	1,658,606	-	-
Interest Income	140,527	128,210	-	-
Contributions by the Employer	7,767	109,841	-	-
Expected Contributions by the Employees	-	-	-	-
(Benefit Paid from the Fund)	(384,721)	(73,426)	-	-
(Assets Distributed on Settlements)	-	-	-	-
(Expenses and Tax for managing the Benefit Obligations- paid from the fund)	-	-	-	-
Return on Plan Assets, Excluding Interest Income	(37,213)	(12,320)	-	-
Fair Value of Plan Assets at the End of the Period	1,537,271	1,810,911	-	-

iii) Amount Recognized in the Balance Sheet

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
(Present Value of Benefit Obligation at the end of the Period)	(5,139,793)	(4,732,505)	-	-
Fair Value of Plan Assets at the end of the Period	1,537,271	1,810,911	-	-
Funded Status (Surplus/ (Deficit))	(3,602,522)	(2,921,594)	-	-
Net (Liability)/Asset Recognized in the Balance Sheet	(3,602,522)	(2,921,594)	-	-

iv) Net Interest Cost for Current Period

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Present Value of Benefit Obligation at the Beginning of the Period	4,732,505	4,163,115	-	-
(Fair Value of Plan Assets at the Beginning of the Period)	(1,810,911)	(1,658,606)	-	-
Net Liability/(Asset) at the Beginning	2,921,594	2,504,509	-	-
Interest Cost	367,242	321,809	-	-
(Interest Income)	(140,527)	(128,210)	-	-
Net Interest Cost for Current Period	226,715	193,599	-	-

v) Expenses Recognized in the Statement of Profit or Loss for Current Period

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Current service cost	392,583	370,834	-	-
Net interest cost on the net defined benefit liability	226,715	193,599	-	-
Expenses recognised in Profit & Loss Account	619,298	564,433	-	-

vi) Expenses Recognized In the Other Comprehensive Income (OCI) for Current Period

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Actuarial (gains) / losses				
- Change in financial assumptions	32,184	(49,827)	-	-
- Experience variance	37,213	12,320	-	-
Expenses recognised In OCI	69,397	(37,507)	-	-

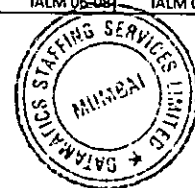
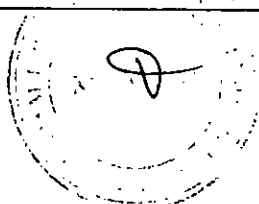
vii) Balance Sheet Reconciliation

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Opening Net Liability	2,921,594	2,504,509	-	-
Expenses Recognized in Statement of Profit or Loss	619,298	564,433	-	-
Expenses Recognized in OCI	69,397	(37,507)	-	-
(Employer's Contribution)	(7,767)	(109,841)	-	-
Net Liability/(Asset) Recognized in the Balance Sheet	3,602,522	2,921,594	-	-

viii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

Particulars	Gratuity		Leave Encashment	
	Mar 31, 2020	Mar 31, 2019	Mar 31, 2020	Mar 31, 2019
Discount Rate (per annum)	7.76%	7.73%	6.83%	7.76%
Salary growth rate (per annum)	4.00%	4.00%	4.00%	4.00%
Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08



**DATAMATICS STAFFING SERVICES LIMITED**  
**Financial Statements as at March 31, 2020**

ix) Sensitivity Analysis

Particulars	Gratuity			
	Mar 31, 2020		Mar 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	268,248	305,060	269,761	306,702
Salary growth rate (- / + 0.5%)	238,489	312,501	281,433	315,323
Attrition rate (1 / + 1%)	68,764	62,054	97,985	88,066
Mortality rate (- / + 1%)	IAM (2006-08)	IAM (2006-08)	IAM (2006-08)	IAM (2006-08)

x) Maturity profile of Defined Benefit obligation

Expected Cash flow over the next (valued on undiscounted basis)	Gratuity	
	Mar 31, 2020	Mar 31, 2019
1 Year	834,962	270,213
2 to 5 years	2,601,488	2,459,780
6 to 10 years	802,024	1,492,949
More than 10 years	4,176,891	4,606,129

31 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:

(a) Details of guarantees outstanding as at:

(i) Corporate guarantees provided by Indian Overseas Bank to Ministry of External Affairs

(In INR)  
 March 31, 2020      March 31, 2019

100,000

32 Segment information

As the company business falls within a single business segment viz Manpower Recruitment Consultancy and Manpower Supply, the disclosure of Ind AS 108 is not applicable.

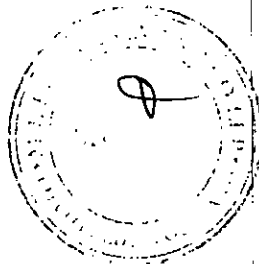
33 Auditor's remuneration includes

For services as auditors  
 For tax audit  
 Reimbursement of out of pocket expenses  
 Total

(In INR)  
 March 31, 2020      March 31, 2019  
 60,000      60,000  
 45,000      -  
 4,015      10,842  
109,015      70,842

34: Earnings per share

Particulars	March 31, 2020	March 31, 2019
(a) Net Profit after taxation attributable to equity shareholders (Rs. In INR)	942,957	7,456,961
(b) Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.)	100,000	100,000
(c) Earnings per share (Nominal value per share Rs. 10 each)		
Basic and Diluted earnings per share (in Rs.) (a/b)	9.43	74.57



**DATAMATICS STAFFING SERVICES LIMITED**  
Financial Statements as at March 31, 2020

**35 Events occurring after Balance Sheet date :**  
**Dividend**  
There is no dividend paid during the year

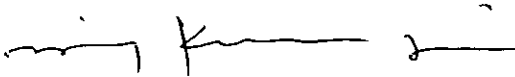
**36 Note 56: Impact of COVID - 19 Pandemic**

The company has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, unbilled revenues, investments and other assets / liabilities. Based on the current indicators of economic conditions, the company expects to recover the carrying amount of all its assets. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements and the company will continue to closely monitor any material changes to the economic conditions in the future.

**37** 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

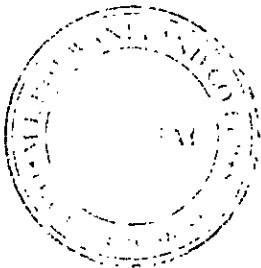
**For M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197



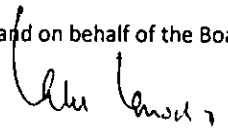
**Vijay Kumar Jain**  
Partner  
Membership No. 108374

Place : Mumbai  
Dated : August 24, 2020


F- 11, 3rd Floor, Manek Mahal,  
90, Veer Nariman Road, Church  
Mumbai - 400 020, India



For and on behalf of the Board



**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman



**Chandrakiran Tambe**  
DIN 06998703  
Managing Director

