

# DATAMATICS

July 06, 2022

The Manager

Listing Department

BSE Limited

P J Towers, Dalal Street, Fort,

Mumbai – 400 001.

Dear Sir / Madam,

**Sub: Scheme of Amalgamation (“Scheme”) under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder for merger of Delta Infosolutions Private Limited (“DIPL”) with and into Datamatics Global Services Limited (“DGSL”).**

**Ref: Application no. 149126 under Clause 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).**

We refer to the aforesaid Scheme of Amalgamation and submit our responses/ clarifications/ explanations below to your queries raised on 27 June, 2022 in relation to the said Scheme:

Sr. No.	Particulars	Response/ Clarification
1.	Promoter & Promoter Group shareholding build-up of DGSL & DIPL for past 8 years. The shareholding build-up of DGSL shall also take into consideration the total shareholding / voting rights, directly / indirectly, exercised by the shareholder by virtue of their holding in DIPL, during each year.	<p>Promoter &amp; Promoter Group shareholding build-up for past 8 years of DGSL attached herewith as <b>Annexure A</b> &amp; of DIPL attached herewith as <b>Annexure A1</b>.</p> <p>Dr. Lalit Kanodia, Mr. Sameer Kanodia and Vikrant Trust (Dr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia are Trustees of Vikrant Trust) are the shareholders of DIPL. Dr. Lalit Kanodia, Mr. Sameer Kanodia and Vikrant Trust exercise voting in DGSL by virtue of their holding in DGSL through DIPL. Dr. Lalit Kanodia, Mr. Sameer Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia are also Promoters/Promoter Group of DGSL.</p>



DATAMATICS GLOBAL SERVICES LTD.

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Sr. No.	Particulars	Response/ Clarification
2.	Audited financials of companies for past 3 years viz. Balance Sheet, P&L and Cash flow statement.	Audited Financial Statements of past 3 years of DGSL are attached herewith as <b>Annexure B</b> & of DIPL are attached herewith as <b>Annexure B1</b> .
3.	Confirmation that the companies have obtained NOC from respective banks / financial institutions, as applicable.	<p>DGSL has availed working capital facility of INR 40,00,00,000/- (Rupees Forty Crores only) ("Facility") from Citi Bank. Apart from the aforesaid Facility, no other Facility has been availed by DGSL from other Banks/Financial Institutions. Hence DGSL has obtained 100% NOC from its Lenders.</p> <p>NOC from Citi Bank is attached herewith as <b>Annexure C</b>.</p>
4.	A brief on the business activities of DIPL.	<p>Brief on the business activities of DIPL:</p> <p>DIPL, the Transferor Company, is the promoter and holding company of DGSL/Transferee Company. DIPL is currently holding 54.45% of the total equity shares in the DGSL. Currently, DIPL does not carry any business activity.</p> <p>Main Object of the DIPL as per Clause III(A) of Memorandum of Association (MOA) is as follows:</p> <ol style="list-style-type: none"><li>1. To carry on the business of processing both manual as well as with use of Data Processing Equipment and Computers, of Financial Instruments like shares, debentures, bonds issued by Private and Public Sector Companies, Financial Institutions, Commercial Banks, Government and Semi-Government Bodies, Local Authorities and such other Bodies and to act and carry on the business of Registrar and Transfer Agents, and to perform all such services associated with such business.</li><li>2. To carry on the business of manufacturing, development and marketing of information technology products and services, software and hardware systems and to design, develop, create, produce, compile, convert, alter, operate, write,</li></ol>





Sr. No.	Particulars	Response/ Clarification
		test, record, print and document and to buy, sell, import, export, exchange, let on hire, lease, licence or otherwise deal in, whether as principals or as an agents, software systems, packages, programmes and information technology products, electronic products and services required for or by different organizations, industries, businesses or individuals.
5.	Prior history of scheme of arrangement concerning DGSL.	Details of scheme of arrangement concerning DGSL in the last five years is attached herewith as <b>Annexure D.</b>

We request to take the above on record and oblige. If you require any further clarifications/ information, we would be happy to provide the same.

We request you to kindly grant your approval to the Scheme at your earliest.

Thanking you,

Yours sincerely,

For **Datamatics Global Services Limited**

**Divya Kumat**

**EVP Chief Legal Officer & Company Secretary**





## Promoter and Promoter Group Shareholding built-up of Datamatics Global Services Limited for past 8 years

## Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2022

SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,20,98,742	54.45
2	LALIT SURAJMAL KANODIA	Promoter	42,37,265	7.19
3	ASHA LALIT KANODIA	Promoter	33,05,258	5.61
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	3,19,143	0.54
6	ANEESHA ADITYA DALMIA	Promoter Group	2,52,874	0.43
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	5,870	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,475	0.00
10	PRIYADARSHINI RAHUL KANODIA	Promoter Group	2,49,852	0.42
11	RAHUL LALIT KANODIA	Promoter Group	209	0.00
12	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
13	SHUBHLAKSHMI DANI	Promoter Group	17,80,000	3.02
	<b>TOTAL</b>		<b>4,37,97,846</b>	<b>74.3</b>
<b>Note</b>				
1	Dr. Lalit S. Kanodia transferred by way of Gift 5,51,000 (0.93%) Equity Shares to Mrs. Priyadarshini Kanodia on 22.09.2021			
2	Mrs. Priyadarshini Kanodia received by way of Gift 5,51,000 (0.93%) Equity Shares from Dr. Lalit S. Kanodia on 22.09.2021			
3	Mrs. Priyadarshini Kanodia transferred by way of Gift 17,75,000 (3.01%) Equity Shares to her sister Mrs. Shubhlakshmi Dani on 12.11.2022			
4	Mrs. Shubhlakshmi Dani received by way of Gift 17,75,000 (3.01%) Equity Shares from her sister Mrs. Priyadarshini Kanodia on 12.11.2022			

## Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2021

SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,20,98,742	54.45
2	LALIT SURAJMAL KANODIA	Promoter	47,88,265	8.12
3	ASHA LALIT KANODIA	Promoter	33,05,258	5.61
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	3,19,143	0.54
6	ANEESHA ADITYA DALMIA	Promoter Group	2,52,874	0.43
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	6,500	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,700	0.01
10	PRIYADARSHINI RAHUL KANODIA	Promoter Group	14,73,852	2.50
11	RAHUL LALIT KANODIA	Promoter Group	209	0.00
12	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
	<b>TOTAL</b>		<b>4,37,93,701</b>	<b>74.29</b>
<b>Note</b>				
1	Mrs. Aneesha Dalmia transferred by way of Gift 11,00,000 (1.87%) Equity Shares to Dr. Lalit S. Kanodia on 01.02.2021			
2	Dr. Lalit S. Kanodia received by way of Gift 11,00,000 (1.87%) Equity Shares from Mrs. Aneesha Dalmia on 01.02.2021			
3	Dr. Lalit S. Kanodia acquired 72,881 (0.12%) Equity Shares from Open Market on 01.04.2020			





Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2020				
SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,20,98,742	54.45
2	LALIT SURAJMAL KANODIA	Promoter	36,15,384	6.13
3	ASHA LALIT KANODIA	Promoter	33,05,258	5.61
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	3,19,143	0.54
6	ANEESHA ADITYA DALMIA	Promoter Group	13,52,874	2.29
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	6,500	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,700	0.00
10	PRIYADARSHINI RAHUL KANODIA	Promoter Group	14,73,852	2.50
11	RAHUL LALIT KANODIA	Promoter Group	209	0.00
12	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
	<b>TOTAL</b>		<b>4,37,20,820</b>	<b>74.17</b>
<b>Note</b>				
1	Dr. Lalit S. Kanodia acquired 1,37,389 (0.23%) Equity Shares from Open Market on 31.03.2020			
2	DELTA INFOSOLUTIONS PRIVATE LIMITED acquired 2,85,000 (0.48%) Equity Shares from Open Market on 11.02.2020			

Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2019				
SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,18,13,742	53.97
2	LALIT SURAJMAL KANODIA	Promoter	34,77,995	5.90
3	ASHA LALIT KANODIA	Promoter	33,05,258	5.61
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	3,19,143	0.54
6	ANEESHA ADITYA DALMIA	Promoter Group	13,52,874	2.29
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	6,500	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,700	0.00
10	PRIYADARSHINI RAHUL KANODIA	Promoter Group	14,73,852	2.50
11	RAHUL LALIT KANODIA	Promoter Group	209	0.00
12	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
	<b>TOTAL</b>		<b>4,32,98,431</b>	<b>73.45</b>
<b>Note</b>				
1	Dr. Lalit S. Kanodia acquired 2,47,000 (0.42%) Equity Shares from Open Market on 17.10.2018			

Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2018				
SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,18,13,742	53.97
2	LALIT SURAJMAL KANODIA	Promoter	32,30,995	5.48
3	ASHA LALIT KANODIA	Promoter	33,05,258	5.61
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	3,19,143	0.54
6	ANEESHA ADITYA DALMIA	Promoter Group	13,52,874	2.29
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	6,500	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,700	0.00
10	PRIYADARSHINI RAHUL KANODIA	Promoter Group	14,73,735	2.50
11	RAHUL LALIT KANODIA	Promoter Group	209	0.00
12	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
	<b>TOTAL</b>		<b>4,30,51,314</b>	<b>73.03</b>



Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2017				
SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,18,13,742	53.97
2	LALIT SURAJMAL KANODIA	Promoter	32,30,995	5.48
3	ASHA LALIT KANODIA	Promoter	33,05,258	5.61
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	3,19,143	0.54
6	ANEESHA ADITYA DALMIA	Promoter Group	13,52,874	2.29
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	6,500	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,700	0.00
10	PRIYADARSHINI RAHUL KANODIA	Promoter Group	14,73,735	2.50
11	RAHUL LALIT KANODIA	Promoter Group	209	0.00
12	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
	<b>TOTAL</b>		<b>4,30,51,314</b>	<b>73.03</b>

**Note**

1	Mrs. Aneesha Dalmia sold 25,000 (0.04%) Equity Shares in Open Marker on 17.05.2016
2	Mrs. Aneesha Dalmia sold 3,49,519 (0.59%) Equity Shares in Open Marker on 27.01.2017
3	Mrs. Aneesha Dalmia sold 61,750 (0.10%) Equity Shares in Open Marker on 03.02.2017
4	Mrs. Priyadarshini Kanodia aquired 14,73,735 (2.50 %) Equity Shares on 29.03.2017

Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2016				
SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,18,13,742	53.97
2	LALIT SURAJMAL KANODIA	Promoter	32,30,995	5.48
3	ASHA LALIT KANODIA	Promoter	33,05,258	5.61
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	11,89,143	2.02
6	ANEESHA ADITYA DALMIA	Promoter Group	17,89,143	3.04
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	6,500	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,700	0.00
10	RAHUL LALIT KANODIA	Promoter Group	209	0.00
11	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
	<b>TOTAL</b>		<b>4,28,83,848</b>	<b>72.75</b>

**Note**

1	Mrs. Asha Kanodia transferred 3,00,000 (0.51%) Equity Shares by way of Gift to Mrs. Amrita Bhogilal on 19.08.2015
2	Dr. Lalit S. Kanodia transferred 3,00,000 (0.51%) Equity Shares by way of Gift to Mrs. Amrita Bhogilal on 19.08.2015
3	Mrs. Amrita Bhogilal aquired by way of Gift 3,00,000 (0.51%) Equity Shares from Dr. Lalit S. Kanodia and 3,00,000 (0.51%) Equity Shares by way of Gift from Mrs. Asha Kanodia on 19.08.2015

Share Holding Pattern of Datamatics Global Services Limited as on March 31, 2015				
SR. NO.	Name of Promoters/Promoters Group	Category	SHARES	% of Capital
1	DELTA INFOSOLUTIONS PRIVATE LIMITED	Promoter	3,18,13,742	53.97
2	LALIT SURAJMAL KANODIA	Promoter	35,30,995	5.99
3	ASHA LALIT KANODIA	Promoter	36,05,258	6.12
4	SAMEER LALIT KANODIA	Promoter Group	14,72,858	2.50
5	AMRITA VIDUR BHOGILAL	Promoter Group	5,89,143	1.00
6	ANEESHA ADITYA DALMIA	Promoter Group	17,89,143	3.04
7	LALIT S KANODIA HUF-2	Promoter Group	74,264	0.13
8	YOGENDRA SURAJMAL KANODIA	Promoter Group	6,500	0.01
9	YOGENDRA KANODIA HUF	Promoter Group	1,700	0.00
10	RAHUL LALIT KANODIA	Promoter Group	209	0.00
11	CHANDRAVATI S KANODIA	Promoter Group	36	0.00
	<b>TOTAL</b>		<b>4,28,83,848</b>	<b>72.75</b>





**DIPL Annexure A1**

**Promoter and Promoter Group Shareholding built-up of Delta Infosolutions Private Limited  
for past 8 years**

**Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2022**

SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	40,000	33.33
2	Mr. Sameer L. Kanodia	40,000	33.33
3	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>

**Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2021**

SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	40,000	33.33
2	Mr. Sameer L. Kanodia	40,000	33.33
3	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>

**Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2020**

SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	40,000	33.33
2	Mr. Sameer L. Kanodia	40,000	33.33
3	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>

**Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2019**

SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	40,000	33.33
2	Mr. Sameer L. Kanodia	40,000	33.33
4	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>

**Note: Mrs. Asha Kanodia transferred 20,000 Equity Shares to Dr. Lalit S. Kanodia on 25.03.2019**



Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2018			
SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	20,000	16.67
2	Mr. Sameer L. Kanodia	40,000	33.33
3	Mrs. Asha Kanodia	20,000	16.67
4	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>

Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2017			
SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	20,000	16.67
2	Mr. Sameer L. Kanodia	40,000	33.33
3	Mrs. Asha Kanodia	20,000	16.67
4	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>

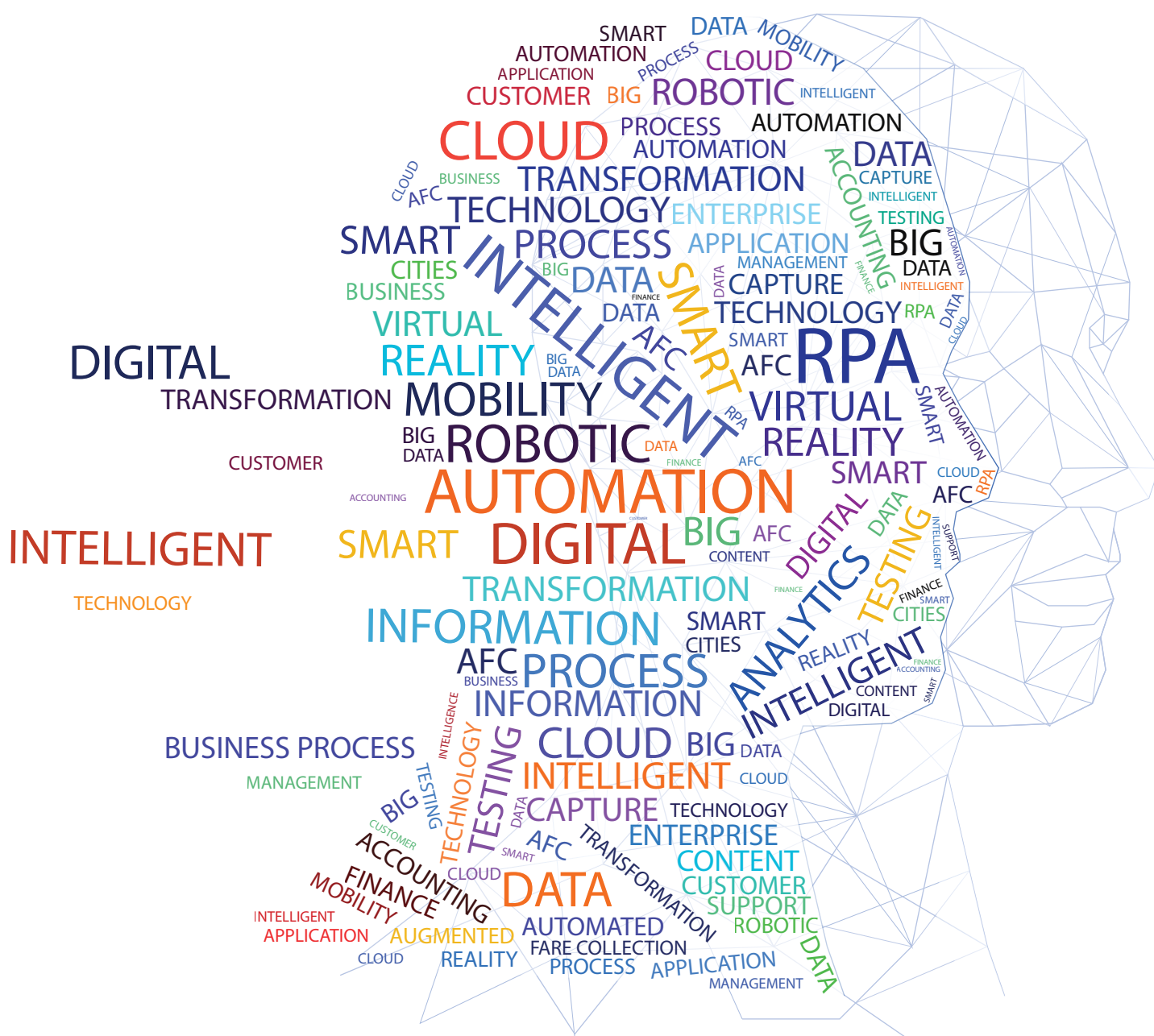
Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2016			
SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	20,000	16.67
2	Mr. Sameer L. Kanodia	40,000	33.33
3	Mrs. Asha Kanodia	20,000	16.67
4	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>

Share Holding Pattern of Delta Infosolutions Private Limited as on March 31, 2015			
SR. NO.	Name of Promoters	Equity Shares of Face Value of Rs. 1/- each	% of Capital
1	Dr. Lalit S. Kanodia	20,000	16.67
2	Mr. Sameer L. Kanodia	40,000	33.33
3	Mrs. Asha Kanodia	20,000	16.67
4	Vikrant Trust (Trustees - Mr. Lalit Kanodia, Mrs. Priyadarshini Kanodia and Mr. Rahul Kanodia)	40,000	33.33
	<b>TOTAL</b>	<b>1,20,000</b>	<b>100.00</b>





# INTELLIGENT SOLUTIONS FOR DATA DRIVEN BUSINESSES



# What's Inside

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

## CONSOLIDATED REVENUE (₹ in Million)

# 11,335

↑ 24.5

## EBITDA (₹ in Million)

# 1,339

↑ 63.2

## WORLDWIDE (Customers)

# 550+

## WORLDWIDE (Employee strength)

# 10,000+

## OFFICES (in Countries)

# 6

## GLOBAL DELIVERY CENTERS (in Regions)

# 4

↑ Growth y-o-y (in %)





# Intelligent solutions for **data-driven businesses**



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

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

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

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

At a Glance

# What we do

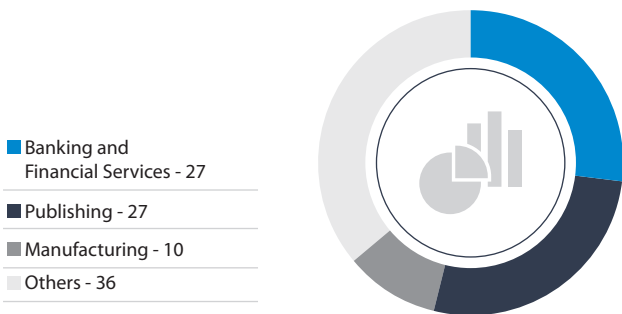
We build intelligent solutions for data-driven businesses to enhance their productivity and customer experience.



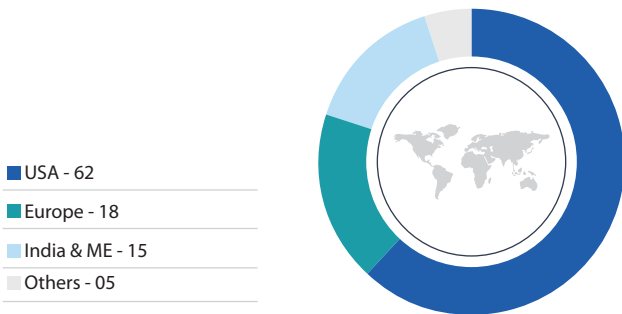
## Transforming businesses across industries



## Top three revenue contributors by industry (%)



## Top three revenue contributors by region (%)





## Strategic Focus

## Strengthening digital solutions footprint

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

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

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



### Strategic Priorities



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

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

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

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

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

## Business Overview

# Transformation through smart solutions

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

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



## Business Process Management (BPM)

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100100000100001110

### Financial Transaction Processing

### Content Management and Publishing

### Customer Management

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

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



## BPM: FY 2018-19 performance highlights

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





## IT Solutions

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## Application Management Services

## Digital Solutions

- Robotic Process Automation (RPA)
- Enterprise Mobility
- Cloud Solutions

## Automated Fare Collection (AFC)

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

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



## IT Solutions: FY 2018-19 performance highlights

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



## Robotic Process Automation (RPA)

```

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```

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

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



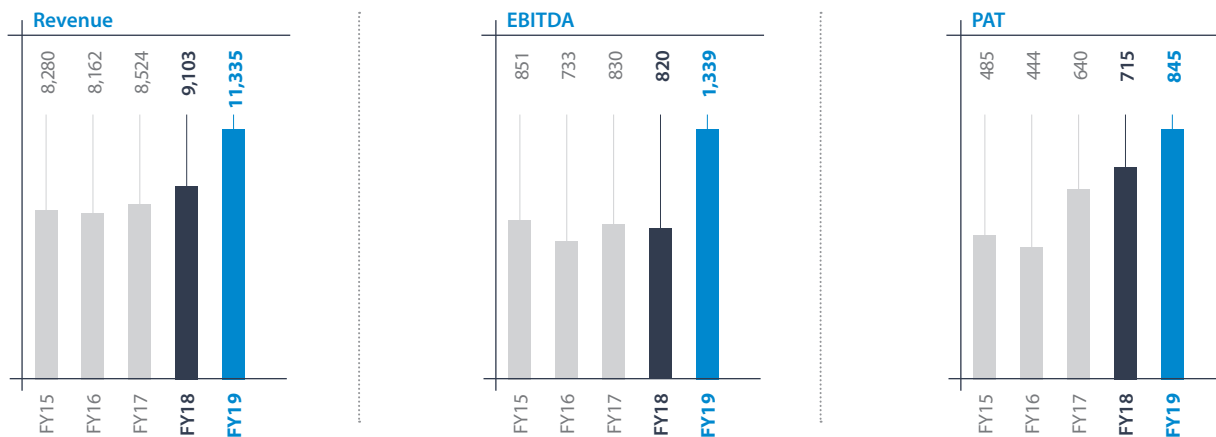
## Robotic Process Automation (RPA)

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

## Key Performance Indicators

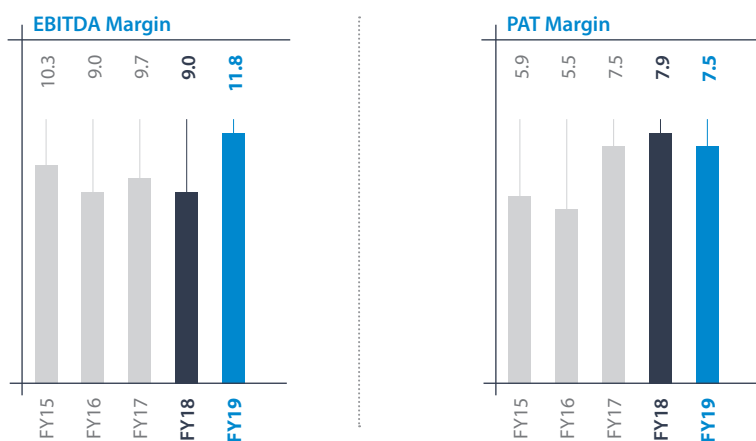
# Robust revenues, stable margins

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



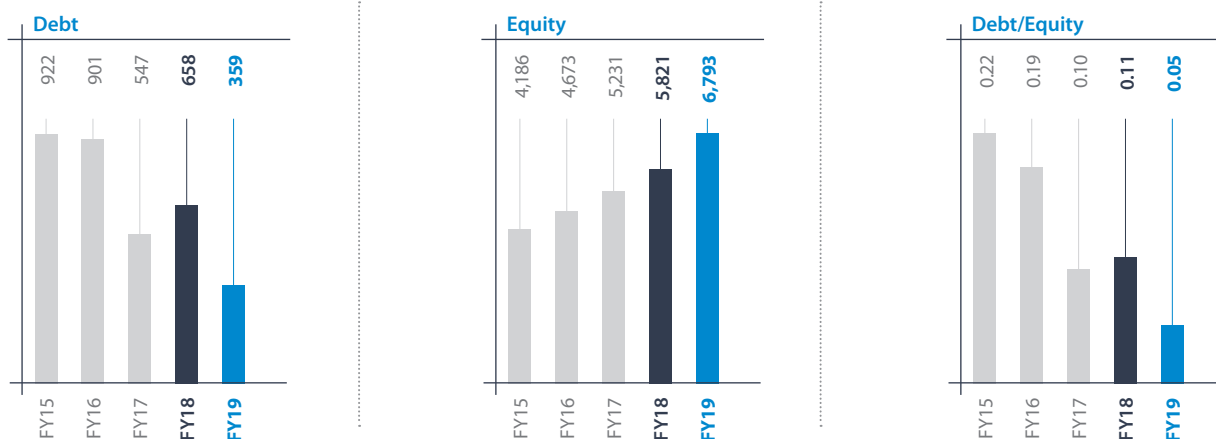
Note: EBITDA excluding Other Income  
PAT before Minority Interest

Stable margins (in %)



Note: EBITDA excluding Other Income  
PAT before Minority Interest

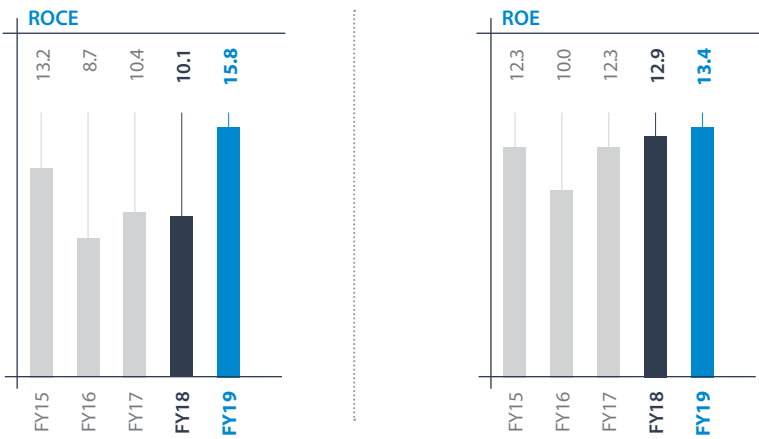
Healthy balance sheet ₹ (in million)



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

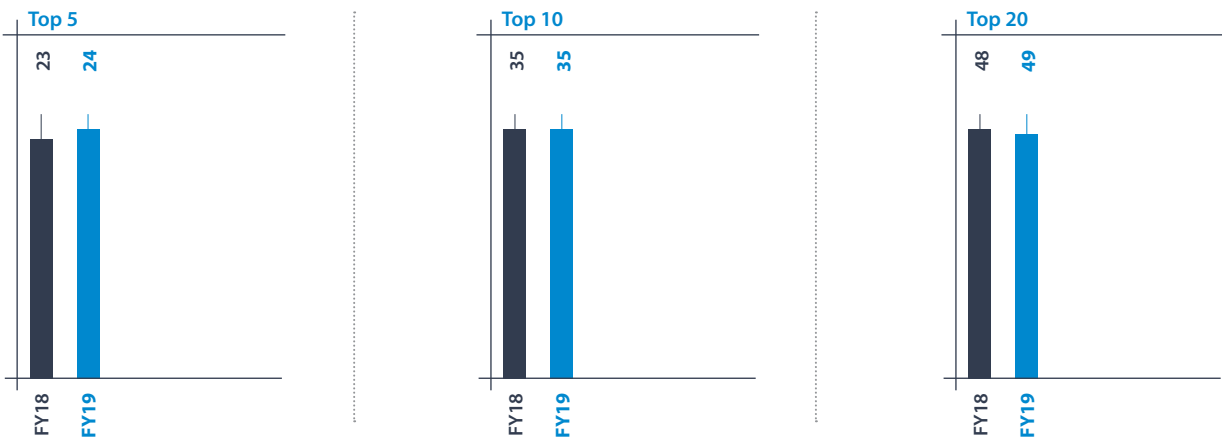


Improving return ratios (in %)



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

Client concentration (in %)



Chairman's Message

## Digital revolution offers novel opportunities

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

**Dr. Lalit Kanodia**  
Chairman



***Dear Shareholders,***

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





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

## better business insights.

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

### Trends and opportunities

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

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

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

worldwide market is expected to touch \$12 Billion, at an 11.1% CAGR over FY17-24. India is witnessing rapid growth in metro rail network with 664 kilometres of metro rail projects in 15 cities under various stages of implementation, reflecting the vast potential for automated fare collection solutions in India.

### Looking Ahead

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

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

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

Yours sincerely,

**Dr. Lalit Kanodia**

Chairman

Vice Chairman & CEO Message

## Enabling enterprises transcend to the next level

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



**Rahul L. Kanodia**  
Vice Chairman & CEO

***Dear Shareholders,***

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

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

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

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

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

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

Datamatics continued to focus on developing its partner and reseller program. We signed 23 new partners in Q4, taking the total partner strength to 54 across the globe.

The evolving partner ecosystem will increase our sales momentum and will ensure smooth implementation and support for Datamatics IP products line comprising TruBot and TruBI.

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

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

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

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

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

Yours Sincerely,

**Rahul L. Kanodia**

Vice Chairman & CEO



## Achievements

# Recognitions and Awards in FY 2018-19



## Analyst Coverage

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



### Robotic Process Automation

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

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



### Business Process Management

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



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

IDC Report on  
[Robotic Process Automation Vendor Assessment 2018](#)



## Awards and Achievements

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



### Datamatics

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



### Cignex Datamatics

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



### Lumina Datamatics

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

## Board of Directors



**Dr. Lalit Kanodia**  
Chairman

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



**Rahul L. Kanodia**  
Vice Chairman & CEO

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



**Dilip D. Dandekar**  
Director

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



**R. K. Saraswat**  
Director

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





**Sameer L. Kanodia**  
Executive Director

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



**Asha L. Kanodia**  
Director

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



**Shahzaad S. Dalal**  
Director

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



**Vinay M. Aggarwal**  
Director

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

## Leadership Team



**Rahul L. Kanodia**  
Vice Chairman & CEO



**Alok Kumar Jha**  
EVP and Chief Human Resources Officer



**Brajesh Ugra**  
President- Global Sales



**Divya Kumari**  
EVP, Chief Legal Officer and Company Secretary



**Mitul Mehta**  
SVP and Head- Marketing and Communications



**Navin Gupta**  
EVP and Head-Business Process Management Services



**Rajesh Agarwal**  
SVP & Head-Robotic Process Automation



**Sachin Rane**  
EVP and Head-Software Solutions



**Sandeep Arora**  
EVP and Head-Consulting and Advisory Practice



**Sandeep Mantri**  
VP and Chief Financial Officer



**Sanjeet Banerji**  
EVP and Head-Artificial Intelligence and Cognitive Sciences



**Sanjeev Subhedar**  
EVP and Head-Engineering Solutions



**Shashi Bhargava**  
EVP and Head-Solutions Group

# Corporate information

## Registered Office

### Knowledge Centre

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

## Corporate Identification Number (CIN)

L72200MH1987PLC045205

## Registrar & Share Transfer Agents

### Datamatics Business Solutions Limited

Plot No. B-5, Part B, Cross Lane  
MIDC, Andheri (E)  
Mumbai – 400093  
Tel: +91 (22) 6671 2151  
Fax: +91 (22) 6671 2230  
Email: [depository@datamaticsbpm.com](mailto:depository@datamaticsbpm.com)

## EVP, Chief Legal Officer & Company Secretary

Divya Kumat

## Auditors

M/s. M L BHUWANIA AND CO LLP

## Solicitors

M/s. Bulwark Solicitors

## Bankers

Citi Bank  
ICICI Bank Limited  
HDFC Bank Limited  
Standard Chartered Bank





# Boards' Report

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

## Financial Performance

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

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

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

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

## Overview of Company's Financial Performance

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

We are pleased to inform you that the Company's consolidated revenue has crossed ₹ 10,000 million for the first time. On a Consolidated basis, your Company achieved revenue from operations of ₹ 11,334.90 million higher by 24.5% as compared

to ₹ 9,102.69 million in the previous year. The profit after tax for the current year was ₹ 844.75 million registering a growth of 18.1% over ₹ 715.03 million in the previous year.

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

## Dividend

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

## Transfer to Reserves

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

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

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

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

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

### Acceptance of Deposits

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

### Subsidiary Companies

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

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

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

1. Datamatics Global Services, Inc. (US)
2. Techjini Inc (US)
3. Datamatics Infotech Limited (UK)
4. Datamatics Global Services Pty Limited (Australia)
5. Datamatics Global Technologies Limited (Mauritius)
6. Datamatics Global Technologies AG (Switzerland)
7. Datamatics Global Services FZ-LLC (Dubai)
8. Datamatics Global Services Corp. (Philippines)
9. Datamatics Robotics Software, Inc (US)
10. Lumina Datamatics, Inc. (US)
11. Lumina Datamatics GmbH (Germany)

12. Lumina Datamatics Assessment and Analytics, LLC (US)
13. CIGNEX Datamatics Corporation (BVI)
14. CIGNEX Datamatics, Inc. (Michigan)
15. CIGNEX Datamatics GmbH (Germany)
16. CIGNEX Datamatics Pte. Limited (Singapore)
17. CIGNEX Datamatics UK Limited (UK)
18. Duo Consulting Inc. (US)
19. RJ Globus, Inc (US)
20. RJ Globus Solutions Inc (Philippines)
21. Datamatics Global Technologies GmbH (Germany)\*

\* In the process of liquidation/striking off.

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

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

### Acquisitions:

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

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

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

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

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

## Share Capital

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

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

## Board of Directors and Key Managerial Personnel Retirement by Rotation.

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

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

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

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

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

## Declaration by Independent Directors.

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

## Meetings of the Board

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

## Board and Committee Evaluation

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

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

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

## Future Growth Strategy

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

## Investment in new technologies and product development

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

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

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

## Strengthening business to drive sustainable growth

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



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

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

### Quality

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

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

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

Further significant initiatives of the Company towards quality are:

#### 1) Certifications:

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

As you are aware, with the growing complexity of the digital economy, the threat on the information security and data also

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

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

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

### GDPR Regulations

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

#### 2) Customer Satisfaction Tracking:

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

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

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

### 3) Continuous Improvement - Lean Six Sigma

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

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

### Robotics Process Automation

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

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

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

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

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

1. Gartner Recognizes Datamatics In Competitive Landscape: Consulting & System Integration Service Providers For RPA;
2. Gartner Recognizes TruBot In Forecast Snapshot: Robotic Process Automation, Worldwide, 2018 Update;
3. TruBot Features In Everest PEAK Matrix Assessment, 2018: RPA – Technology Vendor Landscape;
4. Forrester Recognizes Datamatics In NowTech: RPA Services 2018;
5. TruBot Features In IDC's RPA Vendor Assessment 2018;
6. NASSCOM Recognizes TruBot For Cognitive RPA – The Future of Automation;

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

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

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

### Human Resources Management and Employee Relations

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

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

### Talent Acquisition

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

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

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

### Learning & Development

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

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

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

### Talent Management

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

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

would further hone their skills and contribute towards the Company's growth plan;

- iCertify program was launched this year. This program provides an online platform for employees to attempt technical assessments and earn certification.

### HR Operations

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

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

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

## Automation

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

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

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

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

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

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

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

Number of complaints filed during the financial year: 0

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

## Particulars of Employees

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

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

the Company during the working hours. Any member interested in obtaining such information may write to the Company Secretary, at the Registered Office and the same will be furnished on request.

## Datamatics' Insider Trading Policy for Regulation of Trading by Insiders

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

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

## Directors' Responsibility Statement

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

- in the preparation of the annual accounts for the year ended March 31, 2019, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## Secretarial Standards

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

## Secretarial Auditor

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

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



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

### Information on Auditors' Observations

1. Statutory Auditors:  
The report of the Statutory Auditors on Standalone and Consolidated Financial Statements forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.
2. Secretarial Auditor:  
The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### Statutory Auditors

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

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

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

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

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

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

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

### Corporate Governance

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

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

### the report

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

### Management Discussion and Analysis

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

### Composition of the Committees of the Board

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

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

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

### Particulars of Loans, Guarantees and Investments

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

### Contracts and arrangements with related parties

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

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

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

### Policies

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

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

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

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

### Internal Financial Controls

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

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

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

### Risk Management Policy

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

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

### Corporate Social Responsibility ("CSR")

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

### Composite Scheme of Arrangement

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

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

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

### Demerger and Listing of Lumina Datamatics Limited

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

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

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

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

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

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

### Significant/Material orders passed by the Regulators

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

### Annual Return

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

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

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

#### A. Conservation of Energy:

- (i) Our Company being in IT & ITES industry, our operations are not energy intensive. Adequate measures have been taken to conserve energy.
- (ii) The Company has not taken any steps for utilising alternate sources of energy.
- (iii) There were no additional capital investment on energy consumption equipments and proposals if any, being implemented for reduction of consumption of energy as the nature of the Company's operations entails a very low level of energy consumption.

#### B. Technology Absorption:

- (i) Every effort is made by the Company to update the technological skills of its technical staff in order to ensure that they possess adequate skills to enable them to service the Company's clients.
- (ii) The Company has not imported any technology during the year under review.
- (iii) The Company is predominantly a service provider and therefore has not set up a formal R&D unit. However, it continues to develop software tools and products in its existing delivery setup.

#### C. Foreign Exchange Earnings and Outgo:

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

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

### Acknowledgements

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

For and on behalf of the Board

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

Place : Mumbai  
Dated : May 09, 2019

# Annexure – A

To the Boards' Report

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

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

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

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

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

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

# Include performance incentive payment.

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

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

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

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

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

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

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

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

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

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

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

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

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

The average annual increase was around 13%.

Increase in the managerial remuneration for the year was 9%



## Annexure – A (Contd.)

To the Boards' Report

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

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

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

(c) **Commission to Non – Executive Directors:** The Members have, at the AGM of the Company held on September 23, 2014 approved the payment of commission upto the limit

of 0.25% of its net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

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

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

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

# Annexure – B

To the Boards' Report

Tel. : (022) 2208 5764 / 2208 5765

Email : [tushar@tusharshri.com](mailto:tushar@tusharshri.com)

Web. : [www.tusharshri.com](http://www.tusharshri.com)

10, New Marine Lines

417, Jolly Bhavan No. 1

Mumbai – 400 020

## Secretarial Audit Report

**For the Financial Year ended on March 31, 2019**

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2019 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

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

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

### I further report that:

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

## Annexure – B (Contd.)

To the Boards' Report

Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

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

1. The Board of Directors of the Company in their meeting held on April 27, 2018, approved the Composite Scheme of Arrangement under Section 230-232 of the Companies Act, 2013, between the Company, Delta Infosolutions Private Limited and Datamatics Infotech Services Private Limited, and their respective shareholders;
2. The Board of Directors of the Company in their meeting held on December 14, 2018, approved the Composite Scheme of Arrangement under Section 230-232 of the Companies Act, 2013, between the Company, Lumina Datamatics Limited and LDR ERetail Limited, and their respective shareholders.

Place : Mumbai  
Dated : May 09, 2019

**Tushar Shridharani**  
Company Secretary  
FCS 2690 / COP 2190

# Annexure – C

To the Boards' Report

## Corporate Social Responsibility

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

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

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

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

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

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

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

2. **The Composition of the CSR Committee:**

The composition of the CSR Committee as on March 31, 2019 is as follows:

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

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

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

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

- (a) Total amount spent for the financial year: ₹ 1.21 million.  
 (b) Amount unspent: ₹ 6.64 million.  
 (c) Manner in which the amount spent during the financial year is detailed below.

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

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report :-**

Datamatics considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR

budget for the benefit of society. Over the years, the company has continuously worked towards improving quality of life of the Society in its operational areas.

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



## Annexure – C (Contd.)

To the Boards' Report

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

**7. CSR Committee Responsibility Statement:**

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

**Place :** Mumbai  
**Dated :** May 09, 2019

<b>Rahul L. Kanodia</b> Chairman of CSR Committee	<b>R. K. Saraswat</b> Member
--	---------------------------------

# Annexure – D

To the Boards' Report

## FORM NO. MGT - 9

### Extract of Annual Return

as on the financial year ended March 31, 2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and Other Details

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

#### II. Principal Business Activities of the Company

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

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

#### III. Particulars of Holding, Subsidiary and Associate Companies

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

## Annexure – D (Contd.)

To the Boards' Report

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

## Annexure – D (Contd.)

To the Boards' Report

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

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

#### i) Category-wise Shareholding

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



## Annexure – D (Contd.)

To the Boards' Report

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ix) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(x) Others-Foreign Portfolio Investor	307,165	0	307,165	0.52	142,100	0	142,100	0.24	-0.28
<b>Sub-total (B)(1)</b>	<b>401,280</b>	<b>0</b>	<b>401,280</b>	<b>0.68</b>	<b>221,722</b>	<b>0</b>	<b>221,722</b>	<b>0.38</b>	<b>-0.30</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	2,074,881	500	2,075,381	3.52	2,101,682	500	2,102,182	3.57	0.05
ii) Overseas	0	247,000	247,000	0.42	-	-	0	0.00	-0.42
b) Individuals	0	0	0	0.00	-	0	0	0.00	0.00
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,577,546	112,873	7,690,419	13.05	7,715,131	92,357	7,807,488	13.24	0.19
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,960,599	-	4,960,599	8.42	4,828,595	0	4,828,595	8.19	-0.22
c) Others, specify									
NRIs (Rep. & Non-Rep.)	468,968	200	468,968	0.80	626,640	0	626,640	1.06	0.27
IEPF	38,626	0	38,626	0.07	46,279	0	46,279	0.08	0.02
Foreign National	15,550	0	15,550	0.03	18,000	0	18,000	0.03	0.00
<b>Sub-total (B)(2)</b>	<b>15,136,170</b>	<b>360,573</b>	<b>15,496,543</b>	<b>26.29</b>	<b>15,336,327</b>	<b>92,857</b>	<b>15,429,184</b>	<b>26.17</b>	<b>-0.11</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>15,537,450</b>	<b>360,573</b>	<b>15,897,823</b>	<b>26.97</b>	<b>15,558,049</b>	<b>92,857</b>	<b>15,650,906</b>	<b>26.55</b>	<b>-0.42</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>58,588,764</b>	<b>360,573</b>	<b>58,949,137</b>	<b>100.00</b>	<b>58,856,480</b>	<b>92,857</b>	<b>58,949,337</b>	<b>100.00</b>	<b>0.00</b>

### ii) Shareholding of Promoters

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

## Annexure – D (Contd.)

To the Boards' Report

### iii) Change in Promoters' Shareholding

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

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

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

## Annexure – D (Contd.)

To the Boards' Report

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

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

### v) Shareholding of Directors and Key Managerial Personnel

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



## Annexure – D (Contd.)

To the Boards' Report

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

(₹ in million)

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

### VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in million)

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

#### B. Remuneration to other directors:

(₹ in million)

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

## Annexure – D (Contd.)

To the Boards' Report

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

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

### VII. Penalties/Punishment/Compounding of Offences

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

# Management Discussion and Analysis Report

## Introduction

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

## A. Economic Environment

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

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

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

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

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

## Industry Review

### IT Solutions

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

### Business Process Management (BPM)

- The global BPM market expected to grow at 4.5% to USD 205 Billion in 2019 on the back of high SaaS adoption, Artificial Intelligence (AI) and RPA.<sup>2</sup>

- The US remains the biggest market for BPM.
- Opportunities prevail in process automation and dynamic content management areas.

### Robotic Process Automation (RPA)

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

### Automated Fare Collection (AFC)

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

## B. Business Review

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

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

### Highlights 2018-19

During the year, Datamatics received several awards and recognitions:

### Key Analyst Recognition

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

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

2. Source: Nasscom

3. Source: Gartner

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

### Key Awards

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

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

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

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

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

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

### C. Business Drivers

#### Products and Platforms

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

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

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

#### Automated Fare Collection (AFC)

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

#### Partner and reseller channels

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

### Account Penetration

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

### Brand and Marketing

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

### Digital Solutions – RPA, Mobility, Cloud, Analytics

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

### D. Business Performance

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

### E. Financial Performance

#### I. Financial Condition

##### Sources of Funds

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

#### a. Share Capital

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

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

#### b. Other Equity

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



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

### Total Equity

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

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

### Application of Funds

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

##### Addition to Gross Block

Particulars	(₹ in Million)	
	March 31, 2019	
Leasehold improvements	89.30	
Machinery and equipment	92.91	
Computers	34.28	
Furniture and fixture	38.21	
Vehicles	7.77	
Software	71.74	
Goodwill	249.32	
Other Assets	4.75	
<b>Total</b>	<b>588.27</b>	

##### Capital commitments

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

#### d. Deferred tax assets / liabilities

Particulars	(₹ in Million)	
	March 31, 2019	March 31, 2018
Deferred tax assets, net	24.91	139.94

#### h. Loans and advances, other assets

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

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

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

#### e. Trade Receivables

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

#### f. Current and non-current Investments

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

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

#### g. Cash and cash equivalents

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

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

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

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

#### i. Current and Non-current provisions

	in ₹ Million	
	March 31, 2019	March 31, 2018
Provision for employee benefits – Gratuity	171.42	126.05
Provision for employee benefits – Leave encashment	93.86	85.96
<b>Total</b>	<b>265.28</b>	<b>212.01</b>

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

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

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

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

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

## II. Operations Results

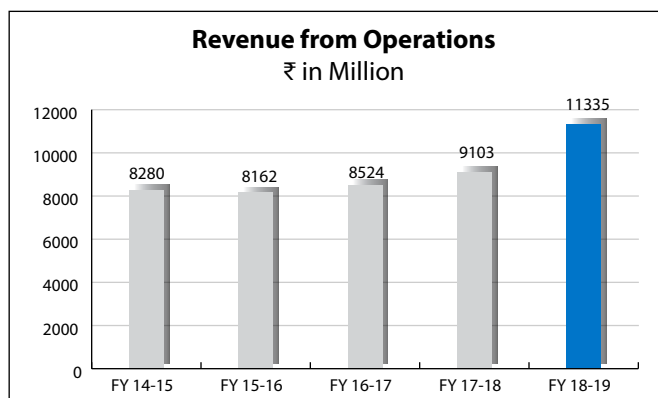
The following table provides an overview of the consolidated financial results of the Company.

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

#### a. Income:

##### Revenue from Operations

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



##### Analysis of revenue growth (Constant currency growth)

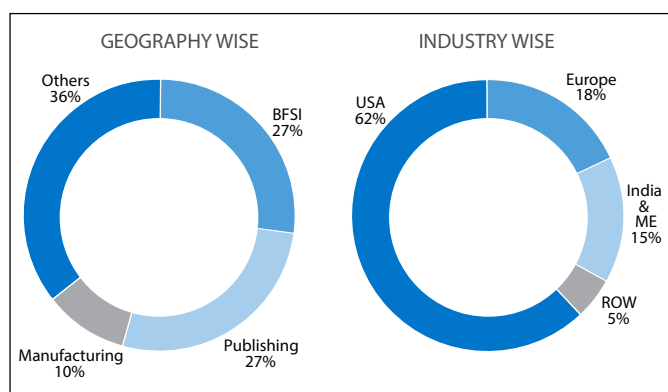
Growth attributable to	FY 2019	FY 2018
Business growth	17.9%	9.6%
Impact of exchange rate	6.6%	(2.8)%
<b>Total growth</b>	<b>24.5%</b>	<b>6.8%</b>

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

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

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

### Segmental performance



have decreased from 62.3% of revenue in FY 2017-18 to 60.8% of revenue in FY 2018-19.

### Depreciation and Amortization

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

### Profit after Tax

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

### Other Income

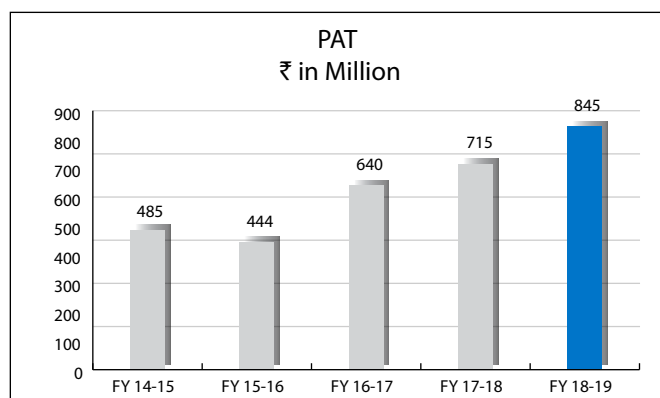
	March 31, 2019	March 31, 2018
Interest Income	2.30	8.41
Dividend Income	5.14	0.50
Realized and Unrealized Gain on Investments	1.43	32.50
Foreign Exchange Gain	23.45	148.10
Guarantee Fees Received	1.00	1.00
Profit on Sale of Investment	18.27	36.25
Profit on Sale of Assets	-	0.94
Provision Written Back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

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

### b. Expenditure

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

Employee benefits expense increased by ₹ 1,222.47 Million to ₹ 6,891.32 Million in FY 2018-19. Employee benefit expenses



### Human Resources Management

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

### F. Risk Management

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

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

#### Global Economic Risk

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

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

#### Employee Related Risks

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

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

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

#### Business Continuity and Information Security

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

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

The Company's operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1

and SOC2 requirements and HIPAA requirements. The Company is in the final stages of renewing its PCI-DSS certification. These standards are extremely important for financial, insurance and healthcare industries.

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

#### Competition Risk

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

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

#### Legal and Regulatory Compliance Risk

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

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



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

#### **Currency Risk**

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

#### **Internal Control Systems and their Adequacy**

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

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

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

### **G. Outlook**

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

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

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

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

#### **CAUTIONARY STATEMENT**

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

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

# Report on Corporate Governance

## I. Company's Philosophy on Corporate Governance :

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

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

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

The Company firmly believes that corporate governance standards should go beyond the law and must satisfy the spirit

of law and not just the letter of the law. This is a way of life at Datamatics and is driven relentlessly across the organization.

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

## II. Board of Directors :

### a. Size and Composition of the Board:

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

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

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

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

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

## Notes:

1. Directorship excludes directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Act and Datamatics Global Services Limited;
2. This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies.

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

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

**b. Board Meeting and Procedures:**

The Board, to look at the long-term strategic planning, financial statements and policy reviews, meets at least once in a quarter to review financial results and operations of the Company. The Notice along with the agenda of the Board/Committee Meeting and comprehensive notes are given well in advance to all the Directors to enable them to take informed decisions. In case of special and urgent business need, the Board's approval is taken by passing

resolutions by circulation, as permitted by the Act, and are placed and confirmed by the Board at the next Board Meeting. The Agenda for the Board/Committee meetings are prepared by the Company Secretary in consultation with the Chairman, CEO and CFO of the Company. Every Director of the Company has liberty to recommend inclusion of items on the agenda.

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

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

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

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

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

**c. Disclosure of relationships between Directors inter se:**

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

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

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

**e. Familiarization Program for Independent Directors:**

All the Independent Directors inducted on the Board are given an orientation programs about Company's business

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

**f. Key Board qualifications, Expertise and Attributes**

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

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

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

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

### III. Committees of the Board:

Currently, the Board has the following four committees:

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

#### Audit Committee

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

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

#### Description of Terms of Reference:

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

- (i) Review of financial statements before they are submitted to the Board for adoption;
- (ii) Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the auditors;
- (iii) Review of quarterly, half yearly and yearly financial statements and audit report before they are presented to the Board, focusing inter-alia upon:
  - Accounting Policies and any changes thereto;

- (iv) Review and monitor auditor's independence and performance and effectiveness of the audit process;
- (v) Approve any subsequent modification of the transactions with the Related Parties;
- (vi) Scrutiny of inter corporate loans and investments;
- (vii) Valuation of undertaking and assets;
- (viii) Review with the management, performance of the statutory and internal auditors and the adequacy of internal control systems;
- (ix) Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- (x) Review of the Company's financial and risk management systems;
- (xi) Investigating the reasons for substantial defaults, if any, in the payment to the depositors, shareholders. (In case of non-payment of declared dividends), and creditors;
- (xii) Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board;
- (xiii) Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
- (xiv) Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company;



- (xv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- (xvi) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- (xvii) Consider any other matter as may be requested by the Board;
- (xviii) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (xix) Perform such other functions as may be necessary or appropriate for the performance of its duties.

#### Composition, Name of Members and Chairman:

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

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

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

#### Meetings and Attendance during the year:

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

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

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

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

#### Nomination and Remuneration Committee (N&RC)

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

#### Description of Terms of Reference:

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

- (i) Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills;
- (ii) Formulation of the criteria for determining such as qualifications, positive attributes and independence for appointment of persons as Directors;
- (iii) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- (iv) Devising a policy on diversity of Board of Directors;
- (v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- (vi) Recommend to the Board all matters relating to the compensation (including annual increments, incentives and revision in salary) payable by the Company to the Senior Management;
- (vii) To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (viii) Consider any other matter as may be requested by the Board;
- (ix) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (x) Perform such other functions as may be necessary or appropriate for the performance of its duties.

#### Composition, Name of Members and Chairman:

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

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

#### Meetings and Attendance during the year:

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

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

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

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

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

#### Performance evaluation criteria for Independent Directors:

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

#### Stakeholders Relationship Committee

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

#### Description of Terms of Reference:

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

- Meet regularly to consider requests of share transfer/ transmission/split/consolidation/duplicate share certificate etc.
- Look into the redressal of shareholders and investors complaints like transfer/ transmission of shares or credit of shares, non-receipt of annual reports/ notices/declared dividends etc. and other secretarial compliances relating to share capital of the Company under the listing agreement etc.
- Oversee performance of the Registrars and Transfer Agents of the Company and looks into matters which can facilitate better investor services and relations.
- Consider and resolve the grievances of the security holders including the shareholders, debenture-holders, deposit holders etc. of the Company.

- Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Consider any other matter as may be requested by the Board;
- Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

#### Composition, Name of Members and Chairman:

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

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

#### Meetings and Attendance during the year:

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

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

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

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

#### Name, Designation and Address of Compliance Officer:

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

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

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

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

**Corporate Social Responsibility Committee**

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

**Description of terms of reference:**

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

- Formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder;
- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the implementation of the CSR Policy of the Company from time to time;
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

**Composition, Name of Members and Chairman:**

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

**Meetings and Attendance during the year:**

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

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

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

**IV. Remuneration of Directors:**

**A. Remuneration Policy:**

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

- The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

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

**C. Criteria for making payment to Non-Executive Directors**

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

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

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

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

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

- The remuneration to the Executive Directors is determined by N&RC and the same is recommended to the Board for their approval. The said remuneration is subject to approval of the shareholders and Central Government, if required. The details of the said remuneration is given in Form MGT -9 which is annexed to the Board's Report;
- Performance linked incentives is granted to Mr. Sameer L. Kanodia. The assessment of performance is done by N&RC on the basis of desired results of the projects handled by Mr. Sameer L. Kanodia vis-a- vis overall performance of the Company;
- Annual increment of the Executive Directors is determined on the basis of the recommendations of N&RC which is within the overall limit for remuneration as approved by the shareholders.

## 2. Terms of Appointment of Executive Directors:

- Appointment of the Executive Directors is done for a maximum period of five years as per provisions of the Act;
- Resignation from the position of Executive Directorship is addressed to the Board of Directors;
- All element of remuneration package summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc. are given in Form MGT-9 which is annexed to the Board's Report.

## V. Independent Directors Meeting:

Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was

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

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

## VI. General Body Meetings:

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

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

### B. Extraordinary General Meeting:

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

### C. Postal Ballot:

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

## VII. Means of Communication:

- Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Financial Express' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: [www.datamatics.com](http://www.datamatics.com).
- Website:** The Company's website: [www.datamatics.com](http://www.datamatics.com) contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.

- BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://listing.bseindia.com>.

- NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are filed electronically on NEAPS. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://www.connect2nse.com/LISTING>.

- SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

- Exclusive email-id:** The Company has an exclusive email id – [investors@datamatics.com](mailto:investors@datamatics.com) dedicated for prompt redressal of shareholders' queries, grievances etc.

- Voluntary e-mail:** The Company voluntarily sends corporate announcements, official news releases and other communications to those shareholders whose Email IDs have been registered with the Company and depositories.

**VIII. Management Discussion and Analysis:**

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

**IX. Website:**

The Company maintains a functional website containing basic information about the Company. The website address is [www.datamatics.com](http://www.datamatics.com). The Company is disseminating following information on its website:

- (a) Details of business;
- (b) Terms and conditions of appointment of Independent Directors;
- (c) Corporate Announcement;
- (d) Composition of various committees of Board of Directors;
- (e) Code of conduct of Board of Directors and Senior Management Personnel;
- (f) Details of establishment of Vigil Mechanism/ Whistle Blower policy;
- (g) Criteria of making payments to Non-Executive Directors, if the same has not been disclosed in annual report;
- (h) Policy on dealing with Related Party transactions;
- (i) Policy for determining 'Material' subsidiaries;
- (j) Details of familiarization programmes imparted to Independent Directors;
- (k) Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances;
- (l) Financial information;
- (m) Shareholding pattern.

**X. General Shareholder Information****a) 31<sup>st</sup> Annual General Meeting:**

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

**b) Financial Year:**

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

**c) Date of Book Closure:**

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

**d) Dividend Payment Date:**

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

**e) Listing on Stock Exchange:**

The equity shares of the Company are listed at:

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

**f) Annual Listing Fees and Custodial Fees:**

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

**g) Stock Code and Other related Information:**

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

**h) Market Price Data:**

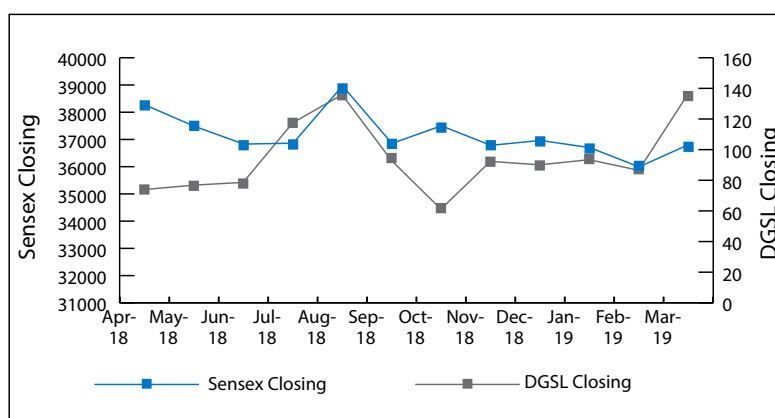
Details of high and low price during each month in the last financial year on BSE Limited and National Stock Exchange of India Limited, are as under:

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

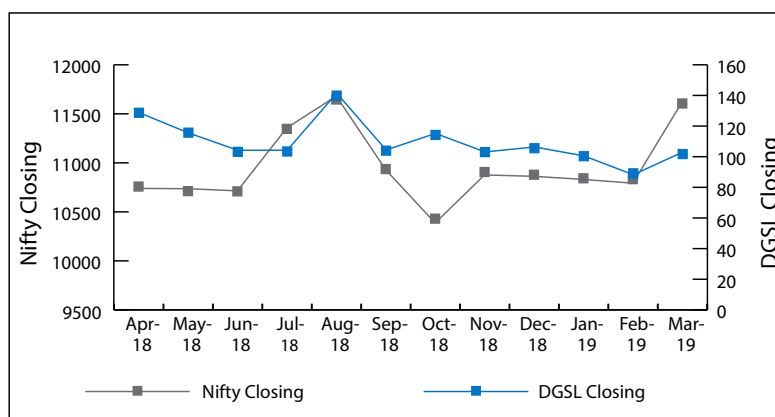


## i) Performance in comparison to broad based indices of BSE Sensex:

Datamatics Global Services Limited - Sensex



Datamatics Global Services Limited - Nifty



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

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

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

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

## Categories of equity shareholders as on March 31, 2019:

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

**m) Unpaid/Unclaimed Dividend:**

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

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

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

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

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

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

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

During the financial year, the Company had transferred 7,653 shares to IEPF. Details of these shares are available on the Company's website [www.datamatics.com](http://www.datamatics.com).

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

**o) Updation of KYC details**

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

**p) Dematerialization of shares and liquidity:**

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

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

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

**q) ADRs/GDRs/Warrants:**

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

**s) Office Locations:**

**INDIA**

**Registered Office:**

Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093.

Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.

Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.

Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.

Unit No. 105, Multistoried Building, 1st Floor, SEEPZ - SEZ, Andheri (E), Mumbai - 400 096.

74/II, "C" Cross Road, Opp. Gate No.2, MIDC, SEEPZ, Andheri East, Mumbai - 400093.

6th floor, Eucharistic Congress Building No. III, C.S. No. 445,

Ward A 885 (1A-1B) 5 Convent Street, Colaba, Mumbai 400001

Suyojit Datamatics Knowledge Center, Suyojit I.T. Park, Survey No. 804,

Unit No. S1-S3, Mumbai Agra Road, Nashik - 422 002.

RR Towers III, 3rd floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032.

Unit No. A-4 and A-3, 2nd Floor, Tower C, Centrum Plaza, Golf Course Road, Sector - 53, Gurgaon.

"RJ Grand" R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry - 605008.

Cessna Business Park, Embassy Singnet Building, 4th Floor, Sy No.13/1,

Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Bangalore - 560103.

A-101, 102 & 124, Siddhivinayak Towers, Makarba Ahmedabad - 380051, Gujarat.

12th Floor, Phase II, Ascendas International Tech Park, Taramani Road Chennai - 600113, Tamil Nadu.

No. 10, Vazhudavour Road, Pettayan Chattram, Thattanchavadi, Puducherry.

Office No. 607, A-40, Sector 62, Noida, Uttar Pradesh, 201309, India.

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

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

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

**OVERSEAS**

Suite 100 & 400, 31572 Industrial Road, Livonia, MI - 48150.

345, 7th Avenue, Suite No. 401, New York - 10001.

Suite #200 & 240, 56 Middlesex Turnpike, Burlington, MA - 01803

Suite #100, 510 Thornall Street, Edison, NJ - 08837.

Ecos Office Centre, Room No. 29, Leuschnerpark, IM, Leuschnerpark 4, 64347, Griesheim.

268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom.

4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.

3265 Farmtrail Road, York, PA 17406.

4633 Old Ironsides Dr., Ste. 109, Santa Clara, CA 95054.

153 Milton Keynes Business Centre, Foxhunter Drive, Linford Wood, Milton Keynes, Buckinghamshire, United Kingdom, MK14 6GD  
Keynes, Buckinghamshire, United Kingdom, MK14 6GD.

Suite # 192, 2001 NE, 46th t. Kansas City, MO - 64116

Suite 302, 52 Atchison St, Leonards, NSW 2065.

3rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.

1, Doughty Street, London, WC1N2PH.

Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.

1797 Seddon Court, Ashland, OH- 44805.

Gerhart-Hauptmann-Strasse 20, 64347 Griesheim.

200 South Walker, Suite 625, Chicago, IL 60606.

Office 3201, 32nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE  
PO Box: 501755.

4 Collins Avenue, Plymouth MA 02360 USA

MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.

2350, Mission College Boulevard, Suite 490, Santa Clara, CA 95054.

1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila.

3rd Floor, Tower 1, Rockwell Business Center Ortigas Ave, Pasig City, 1600 Metro Manila, Philippines.

Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands

**t) Address for Correspondence**

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

**XI. Disclosures****a) Materially significant related party transactions:**

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

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

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

**c) Whistleblower/Vigil Mechanism:**

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

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

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

- The Company's financial statements have unmodified audit opinions.
- The company has appointed separate persons to the post of Chairman and CEO.
- The internal auditors of the Company, M/s. SKPAG & Co., Chartered Accountants, reports directly to the audit committee.

**e) Policy for determining material subsidiaries:**

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

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

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

**g) Policy on dealing with related party transactions:**

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

**h) CEO & CFO Certification:**

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

**i) Details of total fees paid to statutory Auditors:**

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

Type of Service	₹ in million	
	FY 2018-19	FY 2017-18
Audit Fees*	8.57	10.62
Tax Fees	2.73	2.73
Others	1.20	1.20
<b>Total</b>	<b>12.49</b>	<b>14.67</b>

\*Includes audit and audit related services

**j) Complaints pertaining to sexual harassment:**

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

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

A certificate from Mr. Tushar Shridharani, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is enclosed herewith.

**XII. Disclosures of the compliance of Corporate Governance Requirement:**

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

**XIII. Declaration by CEO:**

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

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

**XV. Disclosure with respect to shares transferred to IEPF:**

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

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**Declaration by the CEO**

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

**Place :** Mumbai

**Dated :** May 09, 2019

**Rahul L. Kanodia**  
Vice-Chairman & CEO



## Auditors' Certificate

To,  
The Members of  
**Datamatics Global Services Limited**

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

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

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

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

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

**J. P. Bairagra**  
Partner

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

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

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

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

### Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Datamatics Global Services Limited having CIN - L72200MH1987PLC045205 and having Registered Office situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai - 400 093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place : Mumbai  
Dated : May 9, 2019

**Tushar Shridharani**  
FCS 2690 / COP 2190

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

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

## Report on the Audit of the Consolidated Financial Statements

### Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group and its joint venture as at March 31, 2019, of consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year then ended.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

#### A. Revenue recognition in respect of fixed price contract

##### Description of Key Audit Matters

Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates:

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

##### How our audit addressed the key audit matter

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

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

#### B. Carrying Value of Goodwill

##### Description of Key Audit Matters

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

##### How our audit addressed the key audit matter

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

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

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

### C. Valuation of Employee Benefits

#### Description of Key Audit Matters

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

#### How our audit addressed the key audit matter

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

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

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

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its joint venture or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to

those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them

all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

- (a) We did not audit the financial statements / financial information of nineteen subsidiaries (including twelve step down subsidiaries), and one joint venture, whose financial statements / financial information reflect total assets of ₹ 8,819.60 million as at 31st March, 2019, total revenues of ₹ 9,130.18 million, net profit after tax of ₹ 459.95 million and net cash flows amounting to ₹ (-) 118.03 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements, in respect of a Joint Venture include the Group's share of net profit of ₹ 8.98 million, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, jointly controlled entities and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.
- (b) We did not audit the financial statements / financial information of nine subsidiaries (including eight step down subsidiaries), whose financial statements / financial information reflect total assets of ₹ 445.88 million as at 31st March, 2019, total revenues of ₹ 764.31 million, net profit after tax of ₹ 28.58 million and net cash flows amounting to ₹ (-) 11.11 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements / financial information are not material to the Group.

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



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

#### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (Including other comprehensive income), and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

(Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements / information of the subsidiaries and its joint venture financial statements / information certified by the Management in the case of some subsidiaries, as noted in the paragraph on 'Other Matters':

- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture—Refer Note 46 to the consolidated financial statements;
- (ii) The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivatives contracts.
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and joint venture incorporated in India.
- (h) With respect to the matter to be included in the Auditor's Report under section 197 (16):  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company and Indian subsidiaries where ever applicable to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

**J. P. Bairagra**  
Partner

Membership No.: 012839

**Place :** Mumbai

**Dated :** May 9, 2019

# Annexure – A

To the Independent Auditors' Report

## Annexure A to our report dated May 09, 2019

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

## Annexure – B

### To the Independent Auditors' Report

#### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial control over financial reporting of the Holding company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture as of that date.

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

The respective Board of Directors of Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and Joint Venture, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013("the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on, the Holding Company's and its subsidiary companies' incorporated in India, wherever applicable, and its Joint Venture's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, to the extent applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

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

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate

because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion and based on the opinion expressed in the report of other auditors, the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls

Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

**J. P. Bairagra**

Partner

Membership No.: 012839

**Place :** Mumbai

**Dated :** May 9, 2019

# Consolidated Balance Sheet

as at March 31, 2019

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

The accompanying notes forming an integral part of the financial statements

1-51

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

For and on behalf of the Board

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**R. K. Saraswat**  
DIN 00015095  
Director

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Place :** Mumbai  
**Dated :** May 09, 2019

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2019

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

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

Particulars	Note	(₹ in Millions)	
		March 31, 2019	March 31, 2018
<b>Items that will be reclassified to profit or loss</b>			
Cash flow hedges		83.54	(59.36)
Foreign currency translation reserve movement		179.12	(169.60)
Tax relating to above		(50.89)	25.00
		<b>211.77</b>	<b>(203.96)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Fair value gain on FVOCI investments		1.64	(0.05)
Actuarial gains and losses		(9.95)	(9.57)
Tax relating to above		3.17	0.77
		<b>(5.14)</b>	<b>(8.85)</b>
		<b>206.63</b>	<b>(212.81)</b>
Share of Non Controlling interest in Other Comprehensive income		(17.83)	-
<b>OCI for the year</b>		<b>224.46</b>	<b>(212.81)</b>
<b>Total comprehensive income for the year</b>		<b>969.53</b>	<b>428.04</b>
Earnings per equity share (face value ₹ 5 each)	41		
- Basic (in ₹)		12.64	10.87
- Diluted (in ₹)		12.53	10.87
The accompanying notes forming an integral part of the financial statements	1-51		

As per our attached report of even date

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**Place :** Mumbai  
**Dated :** May 09, 2019

**R. K. Saraswat**  
DIN 00015095  
Director

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

For and on behalf of the Board

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

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Sandeep Mantri**  
Chief Financial Officer

# Consolidated Statement of changes in equity

for the year ended March 31, 2019

A. Equity share capital											₹ in Millions
Particulars											
As at March 31, 2017											294.75
Changes in equity share capital											-
As at March 31, 2018											294.75
Changes in equity share capital											-
As at March 31, 2019											294.75
B. Other equity											
	Reserves and surplus						Other comprehensive income				Total
	Securities premium	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve	
As at March 31, 2017	1,080.08	2,637.21	11.91	585.88	(62.07)	494.28	2.68	(7.89)	84.51	(98.32)	208.31
Profit for the year	-	640.85	-	-	-	-	-	-	-	-	74.18
Other comprehensive income	-	-	-	-	-	-	(0.05)	(8.80)	(34.37)	(169.60)	-
Acquisition of Subsidiary	-	86.43	-	-	-	-	-	-	-	-	86.43
Additional shares issued in subsidiary	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	-
Proposed Dividend on Equity shares	-	(44.21)	-	-	-	-	-	-	-	-	(44.21)
Interim Dividend on Equity shares	-	(29.47)	-	-	-	-	-	-	-	-	(29.47)
As at March 31, 2018	1,080.08	3,290.81	11.91	585.88	(62.07)	494.28	2.63	(16.69)	50.14	(267.92)	363.64
Profit for the year	-	745.07	-	-	-	-	-	-	-	-	99.68
Other comprehensive income	-	-	-	-	-	-	1.64	(6.22)	32.54	196.50	(17.83)
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	(7.43)
Purchase of Non controlling interest	-	(18.72)	-	-	-	-	-	-	-	-	(18.72)
Additional shares issued in subsidiary	-	-	9.52	-	-	-	-	-	-	-	9.52
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	(16.98)
Proposed Dividend on Equity shares	-	(14.73)	-	-	-	-	-	-	-	-	(14.73)
Interim Dividend on Equity shares	-	(9.84)	-	-	-	-	-	-	-	-	(9.84)
As at March 31, 2019	1,080.08	3,992.59	21.43	585.88	(62.07)	494.28	4.27	(22.91)	82.68	(71.42)	393.67
											6,498.48

The accompanying notes forming an integral part of the financial statements

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

For and on behalf of the Board

Dr. Lalit S. Kanodia  
DIN 00008050  
Chairman

Rahul L. Kanodia  
DIN 00075801  
Vice Chairman & CEO

Sandeep Mantri  
Chief Financial Officer

R. K. Saraswat  
DIN 00015095  
Director

Diwya Kumat  
EVP, Chief Legal Officer & Company Secretary

J. P. Bairagya  
Partner  
Membership No. 012839

Place : Mumbai  
Dated : May 09, 2019

# Consolidated Cash flow statement

for the year ended March 31, 2019

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

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

For and on behalf of the Board

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**R. K. Saraswat**  
DIN 00015095  
Director

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Place :** Mumbai  
**Dated :** May 09, 2019

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Notes to the Consolidated Financial Statements

as at March 31, 2019

## 1. General Information

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

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

in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

## 2. Significant Accounting Policies

### a) Basis of Preparation of Financial Statements:

#### Compliance with Ind AS

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

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

### b) Basis of Consolidation:

#### i) Subsidiaries

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

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

^ Under liquidation

@ Acquired during the year

# incorporated during the year

\* Strike off

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

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

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

The Parent Group and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets

and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with GAAP prevalent in their respective countries of domicile.

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

## ii) Joint ventures

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

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

## Equity Method :

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

## iii) Historical cost convention

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

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

## iv) Measurement of fair values

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

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

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

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



# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## c) Use of Estimates

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

## d) Foreign currency translation

### i) Functional and presentation currency

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

### ii) Transactions, balances and translation

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

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

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

## e) Revenue recognition

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

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

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

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

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

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.

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

## f) Income tax

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

### Current income taxes

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

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

# Notes to the Consolidated Financial Statements (Contd.)

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

## Deferred tax

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

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

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

## g) Leases

### Finance Lease

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are

capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost as to obtain a constant periodic rate of interest on the outstanding liability for each year.

### Operating lease

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

## h) Cash and cash equivalents

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

## i) Cash Flow Statement

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

## j) Trade receivables

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

## k) Investments and other financial assets

### i) Classification

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

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

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

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

# Notes to the Consolidated Financial Statements (Contd.)

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

## ii) Measurement

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

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

### Debt instruments

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

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

### Equity instruments

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

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

## iii) Impairment of financial assets

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

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

## iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## v) Income recognition

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Dividends

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

## l) Derivatives and hedging activities

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

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

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

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

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

income is transferred to the Statement of Profit and Loss for the year.

## m) Offsetting financial instruments

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

## n) Property, Plant and Equipment

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

### Depreciation methods, estimated useful lives and residual value

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

## o) Intangible assets

### i) Goodwill

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

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

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

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## ii) Trademarks, copyrights and other rights

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

## iii) Computer software

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

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

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

## iv) Other Intangible assets

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

## v) Amortisation methods and periods

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

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

## p) Trade and other payables

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

## q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this

case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

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

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

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

## r) Borrowing costs

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

## s) Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent Assets are neither recognised nor disclosed.



# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## t) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

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

## u) Contributed equity

Equity shares are classified as equity.

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

## v) Earnings per share

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

## w) Recent Indian Accounting Standards (Ind AS)

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

### i) Ind AS - 116 : Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the

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

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

With effect from April 1, 2019, the Group will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability. The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

### ii) Ind AS 12 : Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an Group shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. The amendment does not amend the situations where the Group pays a tax on dividend which is effectively a portion of dividend paid to taxation authorities on behalf of shareholders.

### iii) Ind AS 109 : Prepayment features with negative compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative

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as at March 31, 2019

compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

**iv) Ind AS 19 : Plan amendment, curtailment or settlement**

The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

**v) Ind AS 23 : Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended

use or sale, that borrowing becomes the part of the funds that Group borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

**vi) Ind AS 103 : Business Combinations and Ind AS 111 : Joint Arrangements**

The amendments to Ind AS 103 relating to remeasurement clarify that when Group obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when Group obtains joint control of a business that is a joint operation, the Group does not re-measure previously held interests in that business. The Group will apply pronouncement if and when it obtains control / joint control of a business that is a joint operation.

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as at March 31, 2019

## 3. Property, plant and equipment

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
<b>Gross block</b>										
As at March 31, 2017	302.85	270.30	178.60	92.84	101.86	144.08	123.99	15.53	1,230.05	12.42
Additions	-	-	2.49	13.54	78.81	61.37	11.96	5.59	173.76	65.99
Disposals / derecognised	-	-	-	(0.21)	(12.63)	(35.04)	(4.23)	(0.82)	(52.93)	(28.50)
Exchange differences	-	-	-	0.07	0.08	0.46	0.19	-	0.80	-
As at March 31, 2018	302.85	270.30	181.09	106.24	168.12	170.87	131.91	20.30	1,351.68	49.91
Additions	-	-	0.37	27.55	51.98	31.74	22.83	7.77	142.23	-
Acquisitions (business combination)	-	-	2.49	61.75	40.93	2.54	15.38	-	123.09	-
Disposals / derecognised	-	-	-	(1.96)	(0.74)	(7.39)	(1.41)	(1.41)	(12.91)	(40.13)
Exchange differences	-	-	-	9.63	(8.59)	3.01	4.83	0.04	8.93	-
As at March 31, 2019	302.85	270.30	183.95	203.21	251.70	200.77	173.54	26.70	1,613.02	9.78

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
<b>Accumulated depreciation</b>										
As at March 31, 2017	-	4.68	6.22	4.56	29.03	64.68	24.00	3.07	136.24	-
Depreciation charge during the year	-	4.68	5.73	6.39	20.73	41.85	20.38	3.87	103.63	-
Disposals / derecognised	-	-	-	(0.11)	(0.23)	(0.01)	(0.18)	(0.55)	(1.08)	-
Exchange differences	-	-	-	0.05	0.10	0.42	0.18	-	0.75	-
As at March 31, 2018	-	9.36	11.95	10.89	49.63	106.94	44.38	6.39	239.54	-
Depreciation charge during the year	-	4.68	1.63	21.90	63.01	47.18	22.23	3.44	164.07	-
Acquisitions (business combination)	-	-	0.60	16.91	13.66	2.22	3.40	-	36.78	-
Disposals / derecognised	-	-	-	(0.11)	(0.22)	(4.70)	(0.10)	(0.65)	(5.79)	-
Exchange differences	-	-	-	(0.22)	(0.89)	2.12	0.04	0.02	1.07	-
As at March 31, 2019	-	14.04	14.18	49.37	125.17	153.76	69.95	9.20	435.67	-
Net carrying amount as at March 31, 2019	302.85	256.26	169.77	153.85	126.53	47.01	103.59	17.50	1,177.35	9.78
Net carrying amount as at March 31, 2018	302.85	260.94	169.14	95.35	118.49	63.93	87.53	13.91	1,112.14	49.91

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 4. Intangible Assets

(₹ in Millions)

Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill	Intangible assets under development
<b>Gross block</b>									
<b>As at March 31, 2017</b>	<b>134.47</b>	<b>29.66</b>	<b>8.35</b>	-	<b>16.17</b>	<b>6.09</b>	<b>194.74</b>	<b>1,438.94</b>	-
Additions	211.40	-	-	0.02	39.98	-	251.40	457.77	-
Disposals / derecognised	(36.65)	-	-	-	-	-	(36.65)	(143.92)	-
Exchange differences	0.34	-	-	-	0.81	0.56	1.71	11.31	-
<b>As at March 31, 2018</b>	<b>309.56</b>	<b>29.66</b>	<b>8.35</b>	<b>0.02</b>	<b>56.96</b>	<b>6.65</b>	<b>411.20</b>	<b>1,764.10</b>	-
Additions	71.47	-	-	1.89	-	-	73.36	249.32	3.20
Acquisitions (business combination)	0.27	-	-	-	-	-	0.27	-	-
Disposals / derecognised	(10.10)	-	-	(0.49)	-	-	(10.59)	-	-
Exchange differences	14.03	-	-	-	1.12	(0.63)	14.52	132.58	-
<b>As at March 31, 2019</b>	<b>385.23</b>	<b>29.66</b>	<b>8.35</b>	<b>1.42</b>	<b>58.08</b>	<b>6.02</b>	<b>488.76</b>	<b>2,146.00</b>	<b>3.20</b>

Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill	Intangible assets under development
<b>Accumulated amortisation and impairment</b>									
<b>As at March 31, 2017</b>	<b>63.75</b>	<b>8.73</b>	<b>2.39</b>	-	<b>16.17</b>	<b>2.34</b>	<b>93.38</b>	<b>0.55</b>	-
Amortisation charge during the year	68.63	6.70	1.87	-	9.99	1.35	88.54	11.13	-
Disposals / derecognised	(9.60)	-	-	-	-	-	(9.60)	-	-
Exchange differences	0.40	-	-	-	0.81	0.13	1.34	0.05	-
<b>As at March 31, 2018</b>	<b>123.18</b>	<b>15.43</b>	<b>4.26</b>	-	<b>26.97</b>	<b>3.82</b>	<b>173.66</b>	<b>11.73</b>	-
Amortisation charge during the year	64.41	6.70	1.87	0.31	13.33	0.43	87.05	9.22	-
Acquisitions (business combination)	0.16	-	-	-	-	-	0.16	-	-
Disposals / derecognised	(0.09)	-	-	(0.10)	-	-	(0.19)	-	-
Exchange differences	9.14	-	-	-	1.12	(0.83)	9.43	0.80	-
<b>As at March 31, 2019</b>	<b>196.80</b>	<b>22.13</b>	<b>6.13</b>	<b>0.21</b>	<b>41.42</b>	<b>3.42</b>	<b>270.11</b>	<b>21.75</b>	-
<b>Net carrying amount as at March 31, 2019</b>	<b>188.43</b>	<b>7.53</b>	<b>2.22</b>	<b>1.21</b>	<b>16.66</b>	<b>2.60</b>	<b>218.65</b>	<b>2,124.25</b>	<b>3.20</b>
<b>Net carrying amount as at March 31, 2018</b>	<b>186.38</b>	<b>14.23</b>	<b>4.09</b>	<b>0.02</b>	<b>29.99</b>	<b>2.83</b>	<b>237.54</b>	<b>1,752.37</b>	-

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 5. Non-current investments

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (at Fair Value through OCI) (FVOCI)</b>		
18,234 (P.Y. 13,676) fully paid Equity Shares of ₹ 2 each of Wipro Limited	4.65	3.85
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.09	0.06
800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.54	0.59
8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.13	2.56
38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	7.67	7.51
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	3.89	2.55
1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	2.49	2.36
900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.04	0.05
35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.39	0.73
56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation	0.77	0.92
<b>Investment in debentures</b>		
<b>Quoted (at Fair Value through Profit &amp; Loss) (FVTPL)</b>		
Nil (P.Y. 100) Units of ₹ 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	-	11.89
<b>Investment in equity instruments</b>		
<b>Unquoted (at cost)</b>		
<b>In Joint venture</b>		
428,390 (P.Y. 428,390) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	76.25	67.27
<b>Investment in preference shares</b>		
<b>Unquoted (at Fair Value through Profit &amp; Loss)</b>		
1,500,000 (P.Y. 1,500,000) 8% Compulsorily Convertible Redeemable Non-Cumulative Non- Participating Preference Shares of HandyTraining Technologies Private Limited of ₹ 10 each	15.00	15.00
<b>Total</b>	<b>113.91</b>	<b>115.34</b>
Aggregate amount of quoted investments	22.66	33.07
Aggregate amount of unquoted investments	91.25	82.27
Aggregate market value of quoted investments	22.66	33.07

## 6. Non-current loans

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to employees	0.29	3.69
<b>Total</b>	<b>0.29</b>	<b>3.69</b>

## 7. Other non-current financial assets

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Security deposits	108.95	93.85
Less: Allowances for doubtful deposits	(6.17)	-
Fixed deposits	0.40	-
Fair value of outstanding corporate guarantees (FVTPL)	8.92	-
Fair value of outstanding forward contracts (FVOCI)	53.76	41.06
<b>Total</b>	<b>165.86</b>	<b>134.91</b>



# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 8. Taxation

### (a) Income tax expense

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Current tax</b>		
Current tax on profits for the year	295.18	115.38
Adjustments for current tax of prior periods	(10.29)	(2.18)
<b>Total current tax expense</b>	<b>284.89</b>	<b>113.20</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	11.26	15.66
Adjustments for deferred tax of prior periods	6.61	-
<b>Total deferred tax expense/(benefit)</b>	<b>17.87</b>	<b>15.66</b>
<b>Income tax expense</b>	<b>302.76</b>	<b>128.86</b>

### (b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Profit for the year</b>	<b>1,147.53</b>	<b>843.89</b>
<b>Tax expense at applicable tax rate</b>	<b>328.87</b>	<b>269.99</b>
Effects of:		
Items not deductible for tax	6.96	(17.38)
Tax holiday and Exempt income	(32.71)	(33.31)
(Gain)/Loss in respect of which deferred tax (liability) / asset not recognized	-	(43.63)
Recognition of unutilized tax benefits / Unrecognized losses utilized	(35.28)	(8.25)
Taxable due to change in tax base	(2.73)	(7.46)
Basis difference that will reverse during tax holiday period	-	(0.04)
Undistributed earnings	25.20	(19.87)
Income taxed at higher / (lower) rates	(4.28)	5.14
Change in tax rate and law	2.44	(21.17)
Adjustments for current tax of prior periods	(3.68)	(2.18)
Others, net	17.97	7.02
<b>Income tax expense</b>	<b>302.76</b>	<b>128.86</b>

### (c) Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	(₹ in Millions)				
	March 31, 2018	Recognized in Income statement	Recognized in OCI Recognized in Income statement	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2019
<b>Deferred Tax Assets</b>					
Employee benefits	72.45	11.23	3.12	0.88	87.68
Provision for doubtful debts	65.71	5.84	-	0.29	71.84
Investment In subsidiaries	(3.10)	5.14	-	0.01	2.05
MAT credit	88.30	(0.86)	-	(81.09)	6.35
Net operating losses	10.02	(0.86)	-	1.46	10.62
Others	16.17	4.50	-	0.01	20.66
<b>Total Deferred Tax Assets</b>	<b>249.55</b>	<b>24.99</b>	<b>3.12</b>	<b>(78.46)</b>	<b>199.20</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	16.76	14.73	-	(0.83)	30.66
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	2.43	3.39	(0.06)	0.01	5.77
Cash flow hedging	20.42	-	50.90	(31.91)	39.41
Undistributed earnings	69.55	25.20	-	3.68	98.43
Others	0.45	(0.46)	-	0.03	0.02
<b>Total Deferred Tax Liabilities</b>	<b>109.61</b>	<b>42.86</b>	<b>50.84</b>	<b>(29.02)</b>	<b>174.29</b>
<b>Net Deferred Tax</b>	<b>139.94</b>	<b>(17.87)</b>	<b>(47.72)</b>	<b>(49.44)</b>	<b>24.91</b>

**Note:** The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, MAT credit creation/utilisation, acquisition during the period and foreign currency translation.

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 9. Non-current tax assets (net)

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	163.06	99.65
<b>Total</b>	<b>163.06</b>	<b>99.65</b>

## 10. Other non-current assets

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Capital advances	5.93	-
Other advances -		
Prepaid expenses	0.78	2.83
Balance with govt authorities	0.05	8.02
Other assets	0.39	0.61
<b>Total</b>	<b>7.15</b>	<b>11.46</b>

## 11. Current investments

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Investment in mutual funds</b>		
Quoted (at FVTPL)		
205,295 (P.Y. 465,210) Units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	14.71	30.69
298,051 (P.Y. 175,039) Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	82.09	44.88
280,636 (P.Y. 280,636) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	8.67	9.75
2,563,272 (P.Y. 1,960,938) Units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	55.73	39.17
375,340 (P.Y. 375,340) Units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	4.78	4.46
133,518 (P.Y. 133,518) Units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.54	4.48
24,130 (P.Y. 19,140) Units of Reliance Liquid fund - TP - Growth (Face Value of ₹ 1,000 each)	109.53	79.56
7,118,577 (P.Y. Nil) Units of Franklin India Ultra Short Bond Fund - SIP - Daily Dividend (Face Value of ₹ 10 each)	73.42	-
365,487 (P.Y. Nil) Units of ICICI Prudential Liquid fund - Direct - Growth (Face Value of ₹ 100 each)	101.03	-
<b>Total</b>	<b>454.50</b>	<b>212.99</b>
Aggregate amount of quoted investments	454.50	212.99
Aggregate market value of quoted investments	454.50	212.99

## 12. Trade receivables

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Unsecured (Refer Note No. 42)		
Considered Good	2,480.66	2,047.88
Less :- Allowance for doubtful trade receivable (Refer Note No. 36)	19.29	-
	2,461.37	2,047.88
Credit impaired	256.71	272.97
Less :- Allowance for doubtful trade receivable (Refer Note No. 36)	256.71	272.97
	-	-
<b>Total</b>	<b>2,461.37</b>	<b>2,047.88</b>

## 13. Cash and cash equivalents

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Bank balances	681.79	814.62
Cash on hand	3.64	2.72
Cheques in transit	10.75	0.50
<b>Total</b>	<b>696.18</b>	<b>817.84</b>

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 14. Other bank balances

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Margin money deposits*	36.25	23.78
Unpaid dividend account **	1.75	1.87
<b>Total</b>	<b>38.04</b>	<b>25.65</b>

\* Of the above ₹ 36.29 million (as at March 31, 2018: ₹ 23.78 million) are marked as lien for guarantees issued by banks on behalf of the Group.

\*\* The Group can utilise balances only towards settlement of the unpaid dividend.

## 15. Current loans

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
(Unsecured, Considered Good, unless specified otherwise)		
Others -		
Loan to employees	3.65	15.97
<b>Total</b>	<b>3.65</b>	<b>15.97</b>

## 16. Other current financial assets

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Security deposits	8.01	0.17
Advances to related parties	3.82	42.50
Others -		
Interest accrued	0.06	0.22
Fair value of outstanding forward contracts (FVOCI)	67.42	-
Unbilled revenue	614.71	577.57
<b>Total</b>	<b>694.02</b>	<b>620.46</b>

## 17. Current tax assets (net)

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	18.86	11.41
<b>Total</b>	<b>18.86</b>	<b>11.41</b>

## 18. Other current assets

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Balance with govt authorities	92.70	56.74
Prepaid expenses	139.23	119.69
Advance to vendors	28.40	13.41
Advance to employees	32.02	26.06
<b>Total</b>	<b>292.35</b>	<b>215.90</b>

## 19. Share capital and other equity

### (a) Equity share capital

#### (i) Authorised equity share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2018	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2019	104,000,000	520.00

#### (ii) Authorised redeemable preference share capital of face value of ₹ 10 each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2018	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2019	45,550,000	455.50

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## (iii) Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2018	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2019	58,949,337	294.75

## (iv) Movements in equity share capital

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	58,949,337	294.75
Other movements	-	-
As at March 31, 2018	58,949,337	294.75
Other movements	-	-
As at March 31, 2019	58,949,337	294.75

## (v) Shares of the company held by holding company

Particulars	March 31, 2019	March 31, 2018
31,813,742 (P.Y. 31,813,742) Equity shares of ₹ 5 held by Delta Infosolutions Private Limited	159.07	159.07

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

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,477,995	5.90%	3,530,995	5.99%
Asha Lalit Kanodia	3,305,258	5.61%	3,605,258	6.12%

## (vii) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 9, 2019 proposed a Dividend of ₹ 1.00 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend declared for the year ended March 31, 2019 amounted to ₹ 58.95 million and corporate dividend tax of ₹ 9.92 million.

## (b) Other equity

Particulars		₹ in Millions	
		March 31, 2019	March 31, 2018
Securities premium	Refer Note (i) below	1,080.08	1,080.08
Retained earnings		3,992.59	3,290.81
ESOP reserve	Refer Note (ii) below	21.43	11.91
General reserve	Refer Note (iii) below	585.88	585.88
Capital reserve	Refer Note (iv) below	(62.07)	(62.07)
Capital redemption reserve	Refer Note (v) below	494.28	494.28
OCI -			
Equity investments	Refer Note (vi) below	4.27	2.63
Actuarial gains and losses		(22.91)	(16.69)
Cash flow hedging reserve	Refer Note (vii) below	82.68	50.14
Foreign currency translation reserve	Refer Note (viii) below	(71.42)	(267.92)
Total		6,104.81	5,169.05

## Nature of reserves

## (i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

## (ii) ESOP Reserve

ESOP reserve is created for issue of share capital under RSU plan.

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## (iii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

## (iv) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company. Also Goodwill on common control transaction is adjusted against capital reserve.

## (v) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when Group purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

## (vi) OCI - Equity investments

The Group recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

## (vii) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

## (viii) OCI - Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

## 20. Other non-current financial liabilities

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Creditor for capital expenditure	0.55	0.55
Fair value of outstanding corporate guarantees (FVTPL)	8.92	-
Fair value of outstanding forward contracts (FVOCI)	-	1.80
<b>Total</b>	<b>9.47</b>	<b>2.35</b>

## 21. Non-current Provisions

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.49)		
Provisions for employee benefits		
Gratuity	149.13	114.41
Leave encashment	79.29	59.72
<b>Total</b>	<b>228.42</b>	<b>174.13</b>

## 22. Current borrowings

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Working capital loan		
From Directors (Unsecured)	18.10	-
From Banks (Secured)*	78.19	307.95
From Others (Secured)*	262.50	350.00
<b>Total</b>	<b>358.79</b>	<b>657.95</b>

\* Notes :

Working capital loans from Standard Chartered Bank, ICICI Bank, Silicon Valley Bank USA and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the company hence considered as current borrowings.



# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 23. Trade payables

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Dues of Micro and small enterprises	0.12	-
Dues other than Micro and small enterprises	742.15	697.74
<b>Total</b>	<b>742.27</b>	<b>697.74</b>

Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
(a) Dues remaining unpaid		
- Principal	0.13	-
- Interest on above*	0.01	-
(b) Interest paid in terms of Section 16 of MSMED Act		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and unpaid*	-	-

\* The Group has not provided any interest on the amount outstanding beyond stipulated period.

## 24. Other current financial liabilities

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Fair value of contingent consideration	96.13	-
Unpaid dividend	1.75	1.87
Other payables	24.07	18.04
<b>Total</b>	<b>121.95</b>	<b>19.91</b>

## 25. Current Provisions

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.49)		
Provisions for employee benefits		
Gratuity	22.29	11.64
Leave encashment	14.57	26.24
<b>Total</b>	<b>36.86</b>	<b>37.88</b>

## 26. Current tax liabilities (net)

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	54.92	16.48
<b>Total</b>	<b>54.92</b>	<b>16.48</b>

## 27. Other current liabilities

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Statutory dues	142.44	111.21
Advance received from customers	21.82	-
Unearned revenue	157.21	79.96
<b>Total</b>	<b>321.47</b>	<b>191.17</b>

## 28. Revenue from operations

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Sales -export	7,699.48	6,863.54
Sales -domestic	3,635.42	2,239.15
<b>Total</b>	<b>11,334.90</b>	<b>9,102.69</b>

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 29. Other income

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Interest income	2.30	8.41
Dividend income	5.14	0.50
Profit on sale of investments carried out FVTPL	18.27	36.25
Guarantee fees received	1.00	1.00
Profit on sale of fixed assets	-	0.94
Unrealised gains on fair value of financial assets	1.43	32.50
Exchange gain (net)	23.45	148.10
Provision no longer required written back	1.62	-
Miscellaneous receipts	54.91	16.62
<b>Total</b>	<b>108.12</b>	<b>244.32</b>

## 30. Purchase of products and licenses

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Purchase of IT products and licenses	111.49	96.10
<b>Total</b>	<b>111.49</b>	<b>96.10</b>

## 31. Employee benefit expenses

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Salary, wages & allowances	6,466.91	5,303.64
Contribution towards provident & other funds (Refer Note No. 49)	248.82	215.23
Share based compensation (Refer Note No. 44)	9.83	-
Staff welfare expense	165.76	149.98
<b>Total</b>	<b>6,891.32</b>	<b>5,668.85</b>

## 32. Finance costs

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Interest on loan from banks	39.82	27.95
Interest on loan others	6.42	7.77
Other borrowing costs	1.47	4.58
<b>Total</b>	<b>47.71</b>	<b>40.30</b>

## 33. Depreciation and Amortisation Expenses

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Depreciation on property plant and equipment	164.07	103.63
Impairment of goodwill	9.22	11.13
Amortisation on intangible assets	87.06	88.54
<b>Total</b>	<b>260.35</b>	<b>203.30</b>

## 34. Other expenses

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
IT infrastructure & development cost	54.07	21.54
Technical fees	953.13	852.41
Outsourcing cost	240.35	194.57
Travelling expenses	384.59	385.48
Recruitment charges	58.53	63.25
Rent	248.57	194.58
Electricity expenses	123.49	103.71
Communication charges	109.86	85.47
Rates & taxes	35.68	21.46
Water charges	2.15	2.04
Legal & professional expenses	195.62	167.73
Audit fees	12.49	14.67
Link charges	52.38	41.66

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

		(₹ in Millions)	
Particulars		March 31, 2019	March 31, 2018
Insurance		29.87	26.89
Vehicle expenses		10.34	7.28
Repairs & maintenance expenses		142.06	139.31
Hire charegs		45.76	36.71
Printing & stationery		29.88	30.53
Subscription expenses		26.28	20.01
Bank charges		11.92	9.41
Board sitting fees		1.20	0.92
Advertisement expenses		15.31	19.86
Sales promotion		40.61	50.42
Sales commission		11.36	9.75
Security charges		28.48	22.01
Loss on sale of assets (Net)		0.90	-
Bad debts	47.69		
Less: Provision for doubtful debts written back	(24.97)	22.72	11.66
Provision / (reversal) for doubtful debts and advances		78.75	(32.68)
Expenditure on CSR		1.21	1.48
Miscellaneous expenses		26.06	15.30
<b>Total</b>		<b>2,993.62</b>	<b>2,517.43</b>

## 35. Fair value measurements

55. Fair value measurements

(₹ in Millions)

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	454.50	-	-	212.99	-	-
- Debentures	-	-	-	11.89	-	-
- Equity instruments (Other than investment in JV)	-	22.66	-	-	21.18	-
- Preference shares	15.00	-	-	15.00	-	-
Trade receivables	-	-	2,461.37	-	-	2,047.88
Cash and cash equivalents and other bank balances	-	-	734.22	-	-	843.49
Security deposit	-	-	110.79	-	-	94.02
Fair value of outstanding forward contracts	-	121.18	-	-	41.06	-
Loan to employees	-	-	3.94	-	-	19.66
Unbilled revenue	-	-	614.71	-	-	577.57
Other receivables	-	-	13.20	-	-	42.72
<b>Total financial assets</b>	<b>469.50</b>	<b>143.84</b>	<b>3,938.23</b>	<b>239.88</b>	<b>62.24</b>	<b>3,625.34</b>
<b>Financial liabilities</b>						
Borrowings	-	-	358.79	-	-	657.95
Trade payables	-	-	742.27	-	-	697.74
Creditor for capital expenditure	-	-	0.55	-	-	0.55
Fair value of outstanding forward contracts	-	-	-	-	1.80	-
Other payables	-	-	130.87	-	-	19.91
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,232.48</b>	<b>-</b>	<b>1.80</b>	<b>1,376.15</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 consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

(₹ in Millions)				
Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVPL				
Mutual funds	454.50	-	-	454.50
Preference shares	-	-	15.00	15.00
Financial Investments at FVOCI				
Equity instruments	22.66	-	-	22.66
Outstanding forward contracts	-	121.18	-	121.18
<b>Total financial assets</b>	<b>477.16</b>	<b>121.18</b>	<b>15.00</b>	<b>613.34</b>

(₹ in Millions)				
Financial assets and liabilities measured at fair value At March 31, 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVPL				
Mutual funds	212.99	-	-	212.99
Debentures	11.89	-	-	11.89
Preference shares	-	-	15.00	15.00
Financial Investments at FVOCI				
Equity instruments	21.18	-	-	21.18
Outstanding forward contracts	-	41.06	-	41.06
<b>Total financial assets</b>	<b>246.06</b>	<b>41.06</b>	<b>15.00</b>	<b>302.12</b>
<b>Financial liabilities</b>				
Outstanding forward contracts	-	1.80	-	1.80
<b>Total financial liabilities</b>	<b>-</b>	<b>1.80</b>	<b>-</b>	<b>1.80</b>

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

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in Millions)	
Particulars	Amount
<b>Balance as on March 31, 2017</b>	<b>50.59</b>
Change in the value	(35.59)
<b>Balance as on March 31, 2018</b>	<b>15.00</b>
Change in the value	-
<b>Balance as on March 31, 2019</b>	<b>15.00</b>

## ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

## iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, bank balances, unbilled revenue and other financial assets are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 36. Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk 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.

## A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

### Credit risk management

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of such trade receivables as shown in Note 12 of the financials.

### Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ in Millions)
<b>Loss allowance on March 31, 2017</b>	<b>306.04</b>
Changes in loss allowance	(33.07)
<b>Loss allowance on March 31, 2018</b>	<b>272.97</b>
Changes in loss allowance	(16.26)
<b>Loss allowance on March 31, 2019</b>	<b>256.71</b>

## B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## C) Market risk

### i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a



# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.

**a) Foreign currency risk exposure:**

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2019 and March 31, 2018 are given below :

Particulars	Currency	March 31, 2019		March 31, 2018	
		Foreign Currency	₹ in Millions	Foreign Currency	₹ in Millions
Receivables	USD	5.80	402.61	9.80	638.99
	GBP	1.36	122.37	1.54	128.54
	EUR	0.76	60.09	0.99	80.22
	CHF	0.27	18.75	0.51	34.85
	AUD	0.53	26.24	0.47	23.66
	AED	-	-	0.08	1.35
	CAD	0.01	0.51	0.05	2.71
	SEK	0.19	1.40	0.14	1.10
	ZAR	0.00	0.23	-	-
Payables	USD	1.40	96.75	0.23	15.04
	EUR	0.01	1.03	0.01	0.98
	CHF	0.01	0.44	0.02	1.68
	GBP	0.07	6.16	0.05	4.49
	AED	0.00	0.00	-	0.05
Loans	USD	-	-	1.74	113.60

**b) Sensitivity**

The Group is mainly exposed to changes in USD, GBP, CHF, AED and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AED and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
USD	19.72	25.53
GBP	6.01	6.20
EUR	2.95	3.96
CHF	0.92	1.66
SGD	0.01	-
AUD	1.31	1.16
CAD	0.03	-
SEK	0.07	-

\* Holding all other variables constant

**ii) Cash flow and fair value interest rate risk**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2019 and March 31, 2018, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## a) Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Variable rate borrowings	55.31	307.95
Fixed rate borrowings	303.48	350.00
<b>Total borrowings</b>	<b>358.79</b>	<b>657.95</b>

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2019			March 31, 2018		
	Weighted average interest rate %	Balance (₹ in Millions)	% of total loans	Weighted average interest rate %	Balance (₹ in Millions)	% of total loans
ECB and PCFC Loans	-	-	-	4.07%	113.93	17.32%
Demand Loan	4.38%	55.31	15.42%	4.20%	194.02	29.00%

## b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

	(₹ in Millions)	
	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 70 basis points (70 bps) *	(0.39)	(2.16)
Interest rates – decrease by 70 basis points (70 bps) *	0.39	2.16

\* Holding all other variables constant

## iii) Price risk

### a) Exposure

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are publicly traded.

## 37. Capital management

### a) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturities of non current borrowings.

	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Borrowings	358.79	657.95
Total equity	6,793.23	5,827.44
<b>Borrowings to equity ratio</b>	<b>0.05</b>	<b>0.11</b>

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## b) Dividends

		(₹ in Millions)	
		March 31, 2019	March 31, 2018
<b>(i) Equity shares</b>			
Final dividend for the year ended March 31, 2018 of ₹ 0.25 (March 31, 2017 – ₹ 0.75) per fully paid share		14.74	44.21
Interim dividend for the year ended March 31, 2019 of Nil (March 31, 2018 – ₹ 0.50) per fully paid share		-	29.47
<b>(ii) Dividends not recognised at the end of the reporting period</b>			
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 1.00 per fully paid equity share (March 31, 2018 – ₹ 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.		58.95	14.74

## 38. Segment information

### Description of segments and principal activities

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.

The Group organised itself into two business units, which form the operating segments for segment reporting.

The operating segments are :

- IT Services
- Business Process Management (BPM)

		(₹ in Millions)				
Particulars	March 31, 2019			March 31, 2018		
	IT	BPM	Total	IT	BPM	Total
Revenue	6,497.66	4,837.24	11,334.90	4,962.09	4,140.60	9,102.69
Identifiable expenses	5,768.15	4,228.28	9,996.43	4,538.26	3,744.12	8,282.38
Segment results	729.51	608.96	1,338.47	423.83	396.48	820.31
unallocable expenses			308.06			243.60
Share in profit of JV			8.98			22.86
Other income			108.12			244.32
Profit before taxes			1,147.51			843.89
Tax expenses			302.76			128.86
Profit after tax			844.75			715.03

### Segment Assets and Liabilities

The assets and liabilities used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

### Geographic Segment

Revenue attributable to the location of the customers is as follows :

		(₹ in Millions)	
Geographic Location		March 31, 2019	March 31, 2018
USA		7,039.09	5,571.80
Europe		2,076.15	1,595.34
Rest of World		2,219.66	1,935.55
<b>Total</b>		<b>11,334.90</b>	<b>9,102.69</b>

## 39. Business combinations

### Summary of acquisitions

- On April 7, 2018 the parent entity acquired 75.00% of the issued share capital of RJ Globus Solutions Inc (RJ Globus). The principal activities of the company is to engage in call centre and BPO services, inbound and outbound and data processing.
- On March 17, 2019 one of the subsidiary, Datamatics Digital Limited acquired 51.00% of the issued share capital of Datamatics Staffing Services Limited (DSSL).

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	(₹ in Millions)	
	RJ Globus Amount	DSSL Amount
Cash paid	30.40	74.46
Contingent Consideration	32.55	-
<b>Purchase consideration</b>	<b>62.95</b>	<b>74.46</b>

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	(₹ in Millions)	
	RJ Globus Amount	DSSL Amount
Property, plant & equipments	58.79	2.60
Security deposits	17.59	0.43
Deferred tax asset	-	1.84
Trade receivables	16.26	12.36
Cash & Bank Balances	1.86	2.38
Liquid Investments	-	1.59
Advance tax payment (net of provision)	(0.95)	3.19
Loans & advances	1.56	1.23
Customer advance	-	(0.25)
Employee benefits provision	-	(4.30)
Trade payables	(35.64)	(1.08)
Borrowings	(76.69)	(18.10)
Statutory liabilities	(16.91)	(1.69)
Unearned revenue	(15.61)	-
<b>Net identifiable assets acquired</b>	<b>(49.74)</b>	<b>0.20</b>

## Calculation of goodwill

Particulars	(₹ in Millions)	
	RJ Globus Amount	DSSL Amount
Consideration transferred	62.95	74.46
Non-controlling interest in the acquired entity	(12.44)	(5.00)
Net identifiable assets acquired	49.74	(0.20)
<b>Goodwill</b>	<b>100.25</b>	<b>69.26</b>

## Acquisition related costs

Acquisition related costs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

(iii) On March 19, 2019 the parent entity acquired additional 10.00% in Datamatics Digital Limited (DDL).

Particulars	(₹ in Millions)	
	Amount	
Opening net assets	177.94	
Profit for the period ended March 18, 2019	96.13	
Net worth as at acquisition date	274.07	
Additional stake of 10%	27.41	
Purchase consideration	55.00	
Capital Reserve / (Goodwill)	(27.59)	

There is a change in contingent consideration payable to the non-controlling interest of DDL.

## Reconciliation of contingent consideration

Particulars	(₹ in Millions)	
	Amount	
<b>Contingent consideration on March 31, 2018</b>	<b>159.00</b>	
Change on account of change in consideration	12.00	
Change on account of acquisition of additional stake*	(55.00)	
<b>Contingent consideration on March 31, 2019</b>	<b>116.00</b>	

\*Including amount shown in Non-controlling interest of ₹ 52.36 million.

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 40. Interests in joint venture

### a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2019 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	(₹ in Millions)	
					Carrying amount	
					March 31, 2019	March 31, 2018
Cybercom Datamatics Information Solutions Limited	India	50.50%	Joint venture	Equity	76.25	67.27

### b) Summarised financial information for joint venture

Summarised balance sheet	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Current assets</b>		
Cash and cash equivalents	3.67	2.97
Other assets	112.58	92.63
<b>Total current assets</b>	<b>116.25</b>	<b>95.61</b>
Property, Plant & equipment	40.29	40.88
Other assets	8.20	8.13
<b>Total non-current assets</b>	<b>48.49</b>	<b>49.01</b>
<b>Current liabilities</b>		
Financial liabilities	6.05	4.54
Other liabilities	0.73	0.82
<b>Total current liabilities</b>	<b>6.78</b>	<b>5.36</b>
<b>Non-current liabilities</b>		
Other liabilities	6.97	6.05
<b>Total non-current liabilities</b>	<b>6.97</b>	<b>6.05</b>
<b>Net assets</b>	<b>150.99</b>	<b>133.21</b>

### Reconciliation to carrying amounts

Summarised balance sheet	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Opening net assets</b>	<b>133.20</b>	<b>192.20</b>
Profit for the year	39.57	38.57
Other comprehensive income	0.11	0.17
Dividends paid including tax	(21.89)	(97.74)
<b>Closing net assets</b>	<b>150.99</b>	<b>133.20</b>
Group's share in %	50.50%	50.50%
Group's share in INR	76.25	67.27
<b>Carrying amount</b>	<b>76.25</b>	<b>67.27</b>

### Summarised statement of profit and loss

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Revenue	105.19	82.07
Other Income	2.85	12.05
Depreciation and amortisation	(2.09)	(1.75)
Finance costs	(1.00)	(1.00)
Other expenses	(54.40)	(41.07)
Income tax expense	(10.98)	(11.73)
<b>Profit for the year</b>	<b>39.57</b>	<b>38.57</b>
Other comprehensive income	0.11	0.17
<b>Total comprehensive income</b>	<b>39.68</b>	<b>38.74</b>
Less: Relating to earlier year	21.89	-
<b>Profit attributable</b>	<b>17.79</b>	<b>38.74</b>



# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 41. Earnings per share

Particulars	March 31, 2019	31 March 2018
(a) Net Profit after taxation attributable to equity shareholders (₹ in Millions)	745.07	640.85
(b) Weighted average number of Outstanding equity shares considered for Basic EPS	58,949,337	58,949,337
(c) Dilutive impact on Net Profit (₹ in Millions)	6.58	0.28
(d) Net Profit / (Loss) after taxation attributable to equity shareholders (₹ in Millions)	738.49	640.57
(Nominal value per share ₹ 5 each)		
(e) Earnings per share		
Basic earning per share (in Rs.) (a/b)	12.64	10.87
Diluted earning per share (in Rs.) (d/b)	12.53	10.87

## 42. Related party transactions

A. As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company and its subsidiaries as defined in Ind AS- 24.

(i) The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

Transactions and balances with its own subsidiaries are eliminated on consolidation

### (A) Joint Venture Company

Cybercom Datamatics Information Solutions Limited  
LDR eRetail Limited  
Elevondata Labs Holdings Inc. (till March 15, 2018)  
Elevondata Labs Private Limited (till March 15, 2018)  
Elevondata LLC (till March 15, 2018)

### (C) Relatives of Key Managerial Personnel and

#### Enterprise owned by Key Managerial Personnel

Mrs. Asha L. Kanodia  
Mrs. Aneesha Dalmia  
Mrs. Priyadarshini Kanodia  
Datamatics Staffing Services Limited (till March 17, 2019)  
Datamatics Business Solutions Limited  
Datamatics Infotech Services Private Limited

### (B) Key Managerial Personnel

Dr. Lalit S. Kanodia, Chairman  
Mr. Rahul L. Kanodia, Vice Chairman & CEO  
Mr. Sameer L. Kanodia, Director  
Ms. Divya Kumat, Company Secretary  
Mr. Sandeep Mantri, Chief Financial Officer

### (D) Holding Company

Delta Infosolutions Private Limited

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

(ii) Details of transactions with the related parties stated in (i) above :		(₹ in Millions)			
Sr. No.	Particulars	(i) A		(i) B	
		2018-19	2017-18	2018-19	2017-18
[A]	<b>Transactions during the year</b>				
	<b>Revenue from operations</b>				
i	Datamatics Business Solutions Limited	-	-	-	-
				5.57	1.18
				5.57	1.18
ii	<b>Outsourcing cost</b>				
	Datamatics Staffing Services Limited	-	-	-	-
				0.72	0.72
				0.72	0.72
iii	<b>Expenses incurred by related parties</b>				
	Cybercom Datamatics Information Solutions Limited	3.38	3.17	-	-
		3.38	3.17	-	-
iv	<b>Expenses incurred for related parties</b>				
	Datamatics Infotech Services Private Limited	-	-	0.40	-
				0.40	-
v	<b>Recruitment expenses</b>				
	Datamatics Staffing Services Limited	-	-	-	3.52
				-	3.52
vi	<b>Legal and professional fees</b>				
	Datamatics Business Solutions Limited	-	-	0.31	0.68
				0.31	0.24
	Mrs. Aneesha Dalmia	-	-	-	0.44
vii	<b>Communication expenses</b>				
	Datamatics Business Solutions Limited	-	-	-	0.01
				-	0.01
viii	<b>Managerial remuneration</b>				
	Dr. Lalit S. Kanodia	-	-	26.41	24.79
	Mr. Rahul L. Kanodia	-	-	8.05	7.31
	Mr. Sameer L. Kanodia	-	-	10.55	9.93
ix	<b>Salaries and allowances</b>				
	Mrs. Priyadarshini R. Kanodia	-	-	15.90	14.68
	Ms. Divya Kumat	-	-	8.49	7.83
	Mr. Sandeep Mantri	-	-	7.41	6.85
x	<b>Commission</b>				
	Dr. Lalit S. Kanodia	-	-	7.70	9.98
	Mr. Rahul L. Kanodia	-	-	3.85	4.99
	Mrs. Asha L. Kanodia	-	-	3.85	4.99
xi	<b>Board sitting fees</b>				
	Dr. Lalit S. Kanodia	-	-	0.02	-
	Mr. Rahul L. Kanodia	-	-	0.01	-
	Mrs. Asha L. Kanodia	-	-	0.01	-
xii	<b>Purchase of Property, plant and equipment</b>				
	Mrs. Aneesha Dalmia	-	-	-	0.13
				0.19	0.13
				0.78	0.57
				0.78	0.57

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
xiii	<b>Corporate guarantee fees</b>								
	Cybercom Datamatics Information Solutions Limited	1.00	1.00	-	-	-	-	-	-
xiv	<b>Interest expenses</b>								
	Dr. Lalit S. Kanodia	-	-	-	3.32	-	1.24	-	-
	Mr. Sameer L. Kanodia	-	-	-	1.04	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	2.28	-	-	-	-
xv	<b>Repayment of borrowings during the year</b>								
	Dr. Lalit S. Kanodia	-	-	-	72.80	-	27.20	-	-
	Mr. Sameer L. Kanodia	-	-	-	22.80	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	50.00	-	-	-	-
xvi	<b>Dividend Paid</b>								
	Dr. Lalit S. Kanodia	-	-	1.18	5.88	1.20	5.98	7.95	39.77
	Mr. Sameer L. Kanodia	-	-	0.81	4.04	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	0.37	1.84	-	-	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	0.83	4.13	-	-
	Delta Infosolutions Private Limited	-	-	-	-	0.37	1.85	-	-
xvii	<b>Loans and advances refunded during the year</b>								
	Cybercom Datamatics Information Solutions Limited	0.01	0.01	-	-	-	0.48	-	-
	Datamatics Staffing Services Limited	0.01	0.01	-	-	-	-	-	-
xviii	<b>Loans and advances given during the year</b>								
	Cybercom Datamatics Information Solutions Limited	0.24	0.06	-	-	0.26	2.00	-	-
	Datamatics Staffing Services Limited	0.24	0.06	-	-	-	-	-	-
[B]	<b>Balance as on March 31</b>								
	<b>Loans and advances receivable</b>								
	Cybercom Datamatics Information Solutions Limited	0.55	0.32	-	-	-	-	-	-
		0.55	0.32	-	-	-	-	-	-
	<b>Payables</b>								
	Dr. Lalit S. Kanodia	-	0.48	27.30	11.30	-	0.04	-	-
	Mr. Rahul L. Kanodia	-	-	21.95	4.99	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	3.85	4.99	-	-	-	-
	Elevondata Labs Private Limited	-	-	1.50	1.32	-	-	-	-
	Datamatics Business Solutions Limited	-	0.48	-	-	-	0.04	-	-
iii	<b>Receivables</b>								
	Datamatics Business Solutions Limited	0.22	0.15	-	-	3.43	1.64	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	-	3.43	1.64	-	-
iv	<b>Guarantees</b>								
	Cybercom Datamatics Information Solutions Limited	50.00	50.00	-	-	-	-	-	-

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 43. Leases

### Non-cancellable operating leases

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 34. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

	(₹ in millions)	
	March 31, 2019	March 31, 2018
Within one year	125.17	145.36
Later than one year but not later than five years	178.62	232.09
Later than five years	-	-

### Rental expense relating to operating leases

	(₹ in millions)	
	March 31, 2019	March 31, 2018
Total rental expense relating to operating leases	248.57	194.58

Notes:

- (a) Future lease payments are determined on the basis of terms of the lease agreement.
- (b) At the expiry of term of the agreement, the Group has an option either to return the leased asset or extend the term by giving a notice in writing.
- (c) There are no sublease payments as well as no contingent rent.

## 44. Restricted Stock Unit Plan 2016

One of the subsidiary has granted "Restricted Stock Units" under "LDL RSU PLAN 2016". The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the Company shall be the primary requirement of the vesting.

Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of ₹ 10 per option. The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant.

During the year, an amount of ₹ 9.83 million (P.Y. Nil) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus & Allowances and the same has been disclosed under Reserves and Surplus -Employee Stock Option Reserve.

## 45. Events occurring after the reporting period

### Dividend

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 0.25 per equity share towards final dividend for the year ended March 31, 2018.

Dividends declared by the Group are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 9, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 1.00 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting.

## 46. Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Contingent Liabilities to the extent not provided for:

	(₹ in Millions)	
	March 31, 2019	March 31, 2018
(a) Claims against the Group not acknowledged as debt:		
(i) Income Tax matters	21.64	126.65
(ii) Service Tax matters	-	6.93
(iii) PF related matters		

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

		(₹ in Millions)	
		March 31, 2019	March 31, 2018
	The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub judice. As a matter of caution, the Group is consulting in respect of the matter and will make provision on a prospective basis once there is a clarity. However, the impact will be immaterial.		
<b>(b)</b>	<b>Details of guarantees outstanding as at:</b>		
(i)	Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture	98.00	98.00
(ii)	Guarantees given by banks	341.70	165.29
<b>(c)</b>	<b>Capital and other commitments:</b>		
(i)	Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	5.93	-
(ii)	Estimated amount payable under business development agreement to business consultant (USD 0.26 million)	17.70	16.68

## 47. Forward contracts in foreign currencies

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

		(₹ in Millions)	
Particulars		March 31, 2019	March 31, 2018
Not later than one month		244.85	170.79
Later than one month and not later than three months		515.87	369.90
Later than three months and not later than one year		1,976.87	1,333.27
Later than one year		1,566.05	392.56
<b>Total</b>		<b>4,303.64</b>	<b>2,266.52</b>

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(₹ in Millions)						
Foreign Currency	March 31, 2019			March 31, 2018		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	628	41.92	75.94	273	25.88	58.69
Euro	35	1.79	5.91	7	0.42	(0.63)
Sterling Pound	212	11.10	39.33	92	4.30	(18.80)
Total			121.18			39.26

Net gain on derivative instruments of ₹ 121.18 million (₹ 39.26 million) recognised in Hedging Reserve as of March 31, 2019, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2021.



# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## 48. Revenue from contract with major customers

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2019 and March 31, 2018. While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:

(₹ in Millions)	
Particulars	Amount
Balance at beginning of the year	62.51
Revenue recognised during the year	139.30
Invoices raised during the year	157.68
Balance at the end of the year	44.13

## 49. Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

(₹ in Millions)		
	March 31, 2019	March 31, 2018
<b>I. Defined Contribution Plan</b>		
Charge to the Statement of Profit and Loss based on contributions:		
Employers contribution to provident fund	138.63	118.74
Employers contribution to other foreign defined contribution plans	85.59	75.51
Employers contribution to employees' state insurance	21.61	18.64
Employers contribution to employees' pension scheme 1995	2.71	0.08
Employers contribution to labour welfare fund and others	0.28	2.26
Included in contribution to provident fund and other funds (Refer Note No.31)	<b>248.82</b>	<b>215.23</b>

## II. Defined benefit plan

### i) Movement in Present Value of Obligation

(₹ in Millions)				
Particulars	Gratuity		Leave encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligation as at the beginning	129.13	100.67	83.45	80.51
Current service cost	23.26	22.15	28.79	21.93
Interest expense or cost	9.97	7.21	6.45	5.76
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	(0.93)	(3.09)	0.12	(2.05)
- change in financial assumptions	5.75	(14.19)	5.03	(7.14)
- experience variance (i.e. actual experience vs assumptions)	5.71	20.97	(0.43)	9.13
Past Service Cost	13.35	11.76	-	-
Benefits Paid	(18.50)	(18.77)	(33.26)	(24.70)
Acquisition adjustment	61.29	-	23.92	-
Present Value of Obligation as at the end	<b>111.26</b>	<b>126.71</b>	<b>68.99</b>	<b>83.45</b>

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## ii) Expenses recognised in the income statement and other comprehensive income

(₹ in Millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current service cost	23.63	22.15	29.46	21.93
Past service cost	17.00	11.76	-	-
Net interest cost on the net defined benefit liability	10.16	7.21	5.57	5.76
Actuarial (gains) / losses	-	-	8.54	(0.06)
Expenses recognised in Profit & Loss Account	10.38	41.12	26.23	27.64
Other Comprehensive Income -				
Actuarial (gains) / losses				
- change in demographic assumptions	-	(3.09)	-	-
- Change in financial assumptions	0.04	(14.19)	-	-
- Experience variance	10.53	20.97	-	-
Expenses recognised in OCI	7.03	3.69	-	-

## iii) Financial Assumptions

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

(₹ in Millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate (per annum)	7.60% - 7.76%	6.90% - 7.70%	7.60% - 7.76%	7.70%
Salary growth rate (per annum)	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%
Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08

## iv) Sensitivity Analysis

(₹ in Millions)

Particulars	Gratuity			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	107.08	96.81	79.25	70.44
Discount rate (- / + 1%)	62.81	50.28	59.40	45.99
Salary growth rate (- / + 0.5%)	96.63	107.23	70.59	79.00
Salary growth rate (- / + 1%)	50.26	62.61	45.89	59.40
Attrition rate (1 / + 1%)	-	-	74.57	74.71
Attrition rate (1 / + 0.5%)	32.66	33.71	7.38	7.27
Attrition rate (1 / + 0.25%)	123.82	124.59	43.73	45.55
Mortality rate (- / + 1%)	-	-	74.53	74.75
Mortality rate (- / + 1%)	157.21	157.57	51.99	52.15

## Sensitivity Analysis

(₹ in Millions)

Particulars	Leave encashment			
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	52.09	40.54	50.38	42.59
Discount rate (- / + 1%)	60.01	49.14	40.57	34.54
Salary growth rate (- / + 0.5%)	40.34	52.25	42.46	50.47
Salary growth rate (- / + 1%)	48.93	60.15	34.42	40.66
Attrition rate (1 / + 1%)	-	-	41.78	49.13
Attrition rate (1 / + 50%)	64.07	70.41	16.51	17.84
Attrition rate (1 / + 25%)	31.52	32.85	19.62	20.38
Mortality rate (- / + 1%)	-	-	46.09	46.17
Mortality rate (- / + 10%)	99.76	99.98	37.30	37.33

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

## v) Maturity profile of Defined Benefit obligation

Particulars	(₹ in Millions)	
	Gratuity Amount	Leave encashment Amount
1 Year	21.53	14.20
2 to 5 years	40.36	26.75
6 to 10 years	62.41	30.17
More than 10 years	387.97	190.91

## 50. Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Global Services Limited	39%	4,765.59	34%	292.36	57%	25.42	35%	317.78
<b>Subsidiaries</b>								
<b>Indian</b>								
Cignex Datamatics Technologies Limited	3%	347.81	6%	48.86	-3%	(1.34)	5%	47.52
Lumina Datamatics Limited	18%	2,112.45	12%	101.94	13%	5.55	12%	107.49
Datamatics Robotics Software Limited	0%	2.47	-1%	(6.15)	-3%	(1.38)	-1%	(7.53)
LD Publishing & eRetail Limited	0%	0.47	-0%	(0.03)	0%	-	-0%	(0.03)
LDR eRetail Limited	0%	16.65	0%	1.01	0%	0.01	0%	1.02
Datamatics Digital Limited	2%	257.32	11%	94.67	-2%	(1.09)	10%	93.58
Datamatics Staffing Services Limited	0%	10.44	0%	0.40	-0%	(0.08)	0%	0.32
RJ Globus Solutions Private Limited	0%	0.09	-0%	(0.01)	0%	-	-0%	(0.01)
Attune Infocom Private Limited	0%	12.56	0%	2.82	0%	0.17	0%	2.99
<b>Foreign</b>								
Datamatics Global Services Inc.	4%	538.92	14%	122.16	2%	1.05	14%	123.21
Datamatics Robotics Software Inc.	-0%	(0.27)	-0%	(0.97)	-0%	(0.01)	-0%	(0.98)
Datamatics Infotech Limited	1%	161.47	5%	46.63	2%	0.77	5%	47.40
Datamatics Global Services Pty. Limited	0%	16.86	1%	6.56	1%	0.23	1%	6.79
Datamatics Global Technologies Limited	8%	1,010.29	0%	1.03	0%	0.01	0%	1.04
Datamatics Global Technologies AG	0%	0.55	-0%	(1.05)	-0%	(0.02)	-0%	(1.07)
Techjini Inc	0%	19.79	1%	4.51	2%	0.87	1%	5.38
RJ Globus Solutions Inc	-0%	(0.20)	3%	23.20	0%	-	3%	23.20
RJ Globus Inc	0%	0.67	-0%	(0.02)	0%	-	-0%	(0.02)
Cignex Datamatics Corporation	-0%	(43.48)	-1%	(9.22)	0%	-	-1%	(9.22)
Cignex Datamatics Inc.	2%	288.50	11%	95.01	-110%	(48.79)	5%	46.22
Cignex Datamatics Pte. Limited	0%	12.12	0%	2.82	0%	-	0%	2.82
Cignex Datamatics UK Limited	-0%	(1.37)	-0%	(0.23)	0%	-	-0%	(0.23)
Cignex Datamatics GmbH	0%	2.02	0%	0.44	0%	-	0%	0.44
Duo Consulting, Inc.	0%	44.42	0%	3.84	0%	-	0%	3.84
Datamatics Global Services FZ LLC	1%	115.57	-1%	(6.86)	-0%	(0.05)	-1%	(6.91)
Datamatics Global Services Corp.	0%	22.92	-0%	(1.06)	0%	-	-0%	(1.06)
Lumina Datamatics Inc.	18%	2,229.86	6%	48.45	142%	62.92	12%	111.37
Lumina Datamatics GmbH	0%	16.62	0%	0.69	0%	-	0%	0.69
Lumina Datamatics Assessment and Analytics, LLC	1%	107.88	-0%	(3.69)	0%	-	-0%	(3.69)
<b>Total</b>	<b>100%</b>	<b>12,068.99</b>	<b>100%</b>	<b>868.11</b>	<b>100%</b>	<b>44.24</b>	<b>100%</b>	<b>912.35</b>
<b>Adjustments arising out of consolidation</b>		(5,669.43)		(32.35)		162.38		130.03

# Notes to the Consolidated Financial Statements (Contd.)

as at March 31, 2019

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
<b>Share of Profit in Joint Venture</b>								
<b>Indian Joint Venture</b>								
Cybercom Datamatics Information Solutions Limited		-		8.98		-		8.98
<b>Non Controlling Interest</b>								
<b>Indian Subsidiaries</b>								
Lumina Datamatics Limited		28.95		(3.18)		(1.37)		(4.55)
Attune Infocom Private Limited		16.69		(1.38)		-		(1.38)
Datamatics Digital Limited		52.36		(28.42)		0.08		(28.34)
Datamatics Staffing Services Limited		5.16		(0.19)		0.04		(0.15)
<b>Foreign Subsidiaries</b>								
Lumina Datamatics Assessment and Analytics, LLC		17.20		1.29		-		1.29
RJ Globus Solutions Inc		(0.06)		(12.38)		-		(12.38)
Cignex Datamatics Corporation		229.65		(54.12)		19.09		(35.03)
Duo Consulting, Inc.		43.72		(1.29)		-		(1.29)
<b>Total</b>		<b>(5,275.76)</b>		<b>(123.04)</b>		<b>180.22</b>		<b>57.18</b>
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		<b>6,793.23</b>		<b>745.07</b>		<b>224.46</b>		<b>969.53</b>

## 51. Previous Year Figures

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

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

For and on behalf of the Board

**J. P. Bairagra**  
Partner  
Membership No. 012839

**R. K. Saraswat**  
DIN 00015095  
Director

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

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Place :** Mumbai  
**Dated :** May 09, 2019

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Independent Auditor's Report

To,  
The Members of DATAMATICS GLOBAL SERVICES LIMITED

## Report on the Audit of the Standalone financial statements

### Opinion

We have audited the accompanying Standalone financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity, the Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

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

#### A. Revenue recognition in respect of fixed price contract

##### Description of Key Audit Matters

Accuracy of revenues and onerous obligations in respect of fixed price contracts involves critical estimates:

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

##### How our audit addressed the key audit matter

Our procedures included discussion with the management on the control on the data and its effectiveness. Our audit

approach was a combination of test of internal controls and substantive procedures which included the following:

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

#### B. Transaction with Related Parties

##### Description of Key Audit Matters

The company has material related party transaction during the year. Related Party Transactions imposes limitations on the auditor's ability to obtain audit evidence that all other aspects of related party transactions (other than price) are equivalent to those of a similar arm's length transaction. Further nature and complexity of such transaction and involvement of management with respect to roles and responsibilities of the entities involved in the transactions, makes it subjective.

##### How our audit addressed the key audit matter

Our audit procedures on revenue for related parties included:

- We adopted the balancing method (Transfer pricing model) to arrive at arm's length price and these prices are cross verified with the related party transaction.
- We also reviewed comfort letter issued by the professional who handles the Transfer Pricing issues of the entity stating that the transaction is at arm's length price.
- We also reviewed the income tax assessments of earlier years to corroborate whether the methodology adopted has been accepted by the department.
- We also compared the pricing model and other terms of the agreement with the priors years

#### C. Valuation of Financial Instruments

##### Description of Key Audit Matters

The Company has made investments in financial instruments amounting to ₹ 299.68 million. Due to their unique structure and terms, the valuations of these unquoted instruments are based on entity-developed internal models. Therefore, there is significant measurement uncertainty involved in this valuation and is based on assumptions by the management.



## Independent Auditor's Report (Contd.)

As a result, the valuation of these instruments was significant to our audit.

### How our audit addressed the key audit matter

Our procedures included discussion with the management on the reasonableness of the assumptions and our procedures included:

- obtaining an understanding of the internal risk management procedures and the systems and controls associated with the origination and maintenance of complete and accurate information relating to financial instruments;
- obtaining an understanding of key financial instrument contract terms to assess the appropriateness of accounting reflected in the financial report.
- Reviewing the Valuation reports issued by the independent valuation professional for valuation of the financial instruments.
- Reviewing the assumption made in the prior years and any significant change in assumption during the year.

### **D. Valuation of Employee Benefits**

#### Description of Key Audit Matters

The Company has recognised provision for Gratuity of ₹ 98.92 million and provision for Leave Encashment of ₹ 45.75 million as of March 31, 2019. The assumptions that underpin the valuation of the Gratuity and Leave Encashment are important and also based on subjective judgements. Management has obtained advice from actuarial specialists in order to calculate the amount of Gratuity and Leave Encashment to be recognised as uncertainty arises as a result of estimates made based on the Company's expectations about long-term trends and market conditions. As a result, the actual surplus or deficit realised by the Company may be significantly different to that recognised on the balance sheet since small changes to the assumptions used in the calculation materially affect the valuation.

### How our audit addressed the key audit matter

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

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

### **Management's Responsibility for the Standalone financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone

financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone financial statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent Auditor's Report (Contd.)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Emphasis of matter

Attention is drawn to Note No. 40 the Company has an investment of ₹ 646.30 million in two wholly owned subsidiaries and has also extended loans and advances of ₹ 12.09 million to these subsidiaries as on March 31, 2019. The net worth of these subsidiaries as on March 31, 2019 is ₹ 539.48 million which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future and hence, no provision for diminution in the value of investment has been considered necessary by the management.

Our opinion is not modified in respect of this matter.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
- (h) With respect to the matter to be included in the Auditor's Report under section 197 (16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

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

J. P. Bairagra  
Partner  
Membership No. 012839

**Place:** Mumbai  
**Date:** May 09, 2019

## Annexure A to the Independent Auditor's Report

Referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of DATAMATICS GLOBAL SERVICE LIMITED for the year ended March 31, 2019

- i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets are physically verified by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Pursuant to the programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order is not applicable.
- iii. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.
- iv. According to information and explanation provided to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, Goods & Services Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were

outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Sales Tax, Service Tax, Goods and Services Tax, Custom Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of Income Tax are as under:

Sr. No	Name of the Statute	Nature of the dues	Financial Year to which it relates	Forum where the dues is pending	₹ in million
1	Income Tax Act, 1961	Income Tax dues	2011-12	ITAT, Mumbai	17.49

- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.
- ix. The Company has not raised any money by way of public issue/ further offer (including debt instruments). The money raised on term loans has been applied for the purpose for which it was raised.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

## Annexure A to the Independent Auditor's Report (Contd.)

xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.

xvi. The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

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

J. P. Bairagra  
Partner  
Membership No. 012839

**Place:** Mumbai  
**Date:** May 09, 2019

## Annexure B to the Independent Auditor's Report

### Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of DATAMATICS GLOBAL SERVICES LIMITED ("the Company") as of 31 March 2019 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

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

The Company's Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit

opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

J. P. Bairagra  
Partner  
Membership No. 012839

**Place:** Mumbai  
**Date:** May 09, 2019



# Standalone Balance Sheet

as at March 31, 2019

		(₹ in Millions)	
Particulars	Note	March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	907.01	944.88
Capital work-in-progress	3	8.95	10.32
Goodwill	4	99.24	99.24
Other intangible assets	4	85.07	115.47
<b>Financial assets</b>			
i. Investments	5	2,496.09	2,489.95
ii. Loans	6	0.29	0.46
iii. Other financial assets	7	87.15	59.63
Deferred tax assets	8(c)	232.42	353.82
Non-current tax assets (net)	9	115.42	34.62
Other non-current assets	10	0.83	10.85
<b>Total non-current assets</b>		<b>4,032.47</b>	<b>4,119.24</b>
<b>Current assets</b>			
<b>Financial assets</b>			
i. Investments	11	161.84	106.63
ii. Trade receivables	12	916.20	930.37
iii. Cash and cash equivalents	13	65.33	78.03
iv. Bank balances other than (iii) above	14	37.84	7.45
v. Loans	15	0.31	2.62
vi. Other financial assets	16	502.07	317.69
Current tax assets (net)	17	17.49	9.58
Other current assets	18	61.38	54.58
<b>Total current assets</b>		<b>1,762.46</b>	<b>1,506.95</b>
<b>Total Assets</b>		<b>5,794.93</b>	<b>5,626.19</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19(a)	294.75	294.75
Other equity	19(b)	4,470.84	4,177.66
<b>Total equity</b>		<b>4,765.59</b>	<b>4,472.41</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Other financial liabilities	20	18.04	178.83
Provisions	21	122.76	101.51
<b>Total non-current liabilities</b>		<b>140.80</b>	<b>280.34</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	22	262.50	463.93
ii. Trade payables	23		
Dues of Micro and small enterprises		0.13	-
Dues other than Micro and small enterprises		386.85	317.10
iii. Other financial liabilities	24	125.75	8.45
Provisions	25	21.91	19.27
Current tax liabilities (net)	26	-	12.44
Other current liabilities	27	91.40	52.25
<b>Total current liabilities</b>		<b>888.54</b>	<b>873.44</b>
<b>Total liabilities</b>		<b>1,029.34</b>	<b>1,153.78</b>
<b>Total Equity and Liabilities</b>		<b>5,794.93</b>	<b>5,626.19</b>

The accompanying notes forming an integral part of the financial statements

1-53

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

For and on behalf of the Board

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**R. K. Saraswat**  
DIN 00015095  
Director

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Place :** Mumbai  
**Dated :** May 09, 2019

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Standalone Statement of Profit and Loss

for the year ended March 31, 2019

(₹ in Millions)			
Particulars	Note	March 31, 2019	March 31, 2018
Revenue from operations	28	3,896.72	3,378.50
Other income	29	66.49	226.43
<b>Total income</b>		<b>3,963.21</b>	<b>3,604.93</b>
<b>Expenses</b>			
Purchase of products and licenses	30	36.62	49.43
Employee benefit expenses	31	2,332.11	2,000.68
Finance costs	32	34.50	34.41
Depreciation and amortisation expenses	33	120.32	102.33
Other expenses	34	1,047.31	894.63
<b>Total expenses</b>		<b>3,570.86</b>	<b>3,081.48</b>
<b>Profit before tax</b>		<b>392.35</b>	<b>523.45</b>
Tax expense			
- Current tax	8(a)	102.44	74.07
- Deferred tax	8(a)	(2.45)	42.69
<b>Total tax expenses</b>		<b>99.99</b>	<b>116.76</b>
<b>Profit for the year</b>		<b>292.36</b>	<b>406.69</b>

## Statement of other comprehensive income (OCI) for the year ended March 31, 2019

(₹ in Millions)			
Particulars	Note	March 31, 2019	March 31, 2018
<b>Items that will be reclassified to profit or loss</b>			
Deferred gains/ losses on cash flow hedge		68.97	(80.65)
Tax relating to above		(42.68)	27.91
		<b>26.29</b>	<b>(52.74)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains and losses		(3.97)	(1.45)
Changes in fair value of FVOCI instruments		1.64	(0.05)
Tax relating to above		1.47	0.52
		<b>(0.86)</b>	<b>(0.98)</b>
<b>OCI for the year</b>		<b>25.43</b>	<b>(53.72)</b>
<b>Total comprehensive income for the year</b>		<b>317.79</b>	<b>352.97</b>
<b>Earnings per Equity Share (of ₹ 5 each)</b>			
Basic and Diluted	41	4.96	6.90

The accompanying notes forming an integral part of the financial statements

1-53

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**Place :** Mumbai  
**Dated :** May 09, 2019

**R. K. Saraswat**  
DIN 00015095  
Director

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

For and on behalf of the Board

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

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Sandeep Mantri**  
Chief Financial Officer

# Standalone Statement of changes in equity

for the year ended March 31, 2019

## A. Equity share capital

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

## B. Other equity

	Reserves and surplus							Other comprehensive income			Total other equity
	Securities Premium	Retained earnings	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve			
As at March 31, 2017	1,080.08	1,388.83	1,077.14	35.60	244.28	2.68	(4.68)	74.48		3,898.41	
Profit for the year	-	406.69	-	-	-	-	-	-		406.69	
Other comprehensive income	-	-	-	-	-	(0.05)	(0.93)	(52.74)		(53.72)	
Dividends paid (including taxes)	-	(73.72)	-	-	-	-	-	-		(73.72)	
As at March 31, 2018	1,080.08	1,721.80	1,077.14	35.60	244.28	2.63	(5.61)	21.74		4,177.66	
Profit for the year	-	292.36	-	-	-	-	-	-		292.36	
Other comprehensive income	-	-	-	-	-	1.64	(2.50)	26.29		25.43	
Dividends paid (including taxes)	-	(24.61)	-	-	-	-	-	-		(24.61)	
As at March 31, 2019	1,080.08	1,989.55	1,077.14	35.60	244.28	4.27	(8.11)	48.03		4,470.84	

The accompanying notes forming an integral part of the financial statements

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**Place :** Mumbai  
**Dated :** May 09, 2019

**R. K. Saraswat**  
DIN 00015095  
Director

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

For and on behalf of the Board

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

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Sandeep Mantri**  
Chief Financial Officer

# Standalone Cash flow statement

for the year ended March 31, 2019

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	392.35	523.45
<b>Adjustments for :</b>		
Depreciation and amortisation expense	120.32	102.33
Provision for doubtful debts	4.87	-
Provision for doubtful deposits	6.17	-
Provision no longer required written back	(1.62)	-
Unrealised foreign exchange (gain) / loss	7.82	24.42
(Profit) / loss on sale fixed assets (net)	0.03	(0.19)
Finance cost	31.19	30.02
Unrealised gain on fair value of financial assets	(26.57)	(24.88)
Profit on sale of investments	(7.80)	(31.02)
Dividend income	(0.49)	(49.67)
Interest income	(0.68)	(4.98)
<b>Operating profit before working capital changes</b>	<b>525.59</b>	<b>569.48</b>
<b>Adjustments for :</b>		
Increase in trade receivables	1.56	(239.68)
Decrease in loans	2.48	9.91
Increase in other financial and non-financial assets	(178.37)	(75.49)
Increase / (Decrease) in trade payables	71.42	(33.17)
Increase in other financial and non-financial liabilities	60.50	24.19
<b>Cash generated from operations</b>	<b>483.18</b>	<b>255.24</b>
Direct taxes paid (net)	(120.95)	(97.49)
<b>Net cash flow from operating activities (A)</b>	<b>362.23</b>	<b>157.75</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(56.00)	(117.21)
Sale of fixed assets	5.30	9.23
Payment towards acquisition of subsidiary	(55.00)	(391.00)
Sale of non-current investments	12.38	45.97
Proceeds from buyback / redemption of preference shares in subsidiaries	18.33	50.00
(Purchase) / Sale of current investments (net)	(44.05)	278.02
Dividend received from others	0.49	0.41
Dividend received from joint venture	-	49.26
Interest received	0.85	4.83
<b>Net cash flow used in investing activities (B)</b>	<b>(117.70)</b>	<b>(70.49)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	-	(349.83)
Proceeds/(Repayment) from/of short-term borrowings	(201.43)	319.60
Dividend paid	(24.61)	(73.72)
Interest paid	(31.19)	(30.02)
<b>Net cash flow used in financing activities (C)</b>	<b>(257.23)</b>	<b>(133.97)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>(12.70)</b>	<b>(46.71)</b>
Cash and cash equivalents at the beginning of the year	78.03	114.81
Exchange difference on translation of foreign currency cash and cash equivalents	-	9.93
<b>Net cash and cash equivalents at the end of the year (Refer Note No.13)</b>	<b>65.33</b>	<b>78.03</b>

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

For and on behalf of the Board

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**R. K. Saraswat**  
DIN 00015095  
Director

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Place :** Mumbai  
**Dated :** May 09, 2019

**Divya Kumart**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Notes to the Standalone Financial Statements

As at March 31, 2019

## 1. General Information

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

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

## 2. Significant Accounting Policies

### a) Basis of Preparation of Financial Statements:

#### i) Compliance with Ind AS

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

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

#### ii) Historical cost convention

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

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

#### iii) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedure

with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

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

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

### b) Use of Estimates

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

### c) Foreign currency translation

#### i) Functional and presentation currency

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

#### ii) Transactions and balances

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

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in the Statement of Profit and Loss in the year in which it arises.

## d) Revenue recognition

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

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

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

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

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

Revenue from subsidiaries is recognised based on transaction price which is at arm's length.

Cost and earnings in excess of billings are 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.

Effective April 1, 2018, the Company has applied Ind AS 115 Revenue from contracts with customers which establishes comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to

the contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Company is insignificant.

## e) Income tax

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

### Current income taxes

The current tax expense include income tax expense payable by the company in India. The current tax payable by the company in India is income tax payable on worldwide income after taking credit for tax relief available for export operation in Specified Economic Zone (SEZs).

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

### Deferred tax

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

In the situations where Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized



# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

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

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

## f) Leases

### Finance Lease

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

### Operating lease

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

## g) Cash and cash equivalents

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

## h) Cash Flow Statement

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

## i) Trade receivables

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

## j) Investments and other financial assets

### i) Classification

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

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

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

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

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

### ii) Measurement

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

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

### Debt instruments

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

- **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Impairment of investments in subsidiaries:**

The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently, when there is indication for impairment. If the recoverable amount is less than carrying amount, the impairment loss is accounted for.

- **Fair value through other comprehensive income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

## Equity instruments

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

income when the company's right to receive payments is established.

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

## iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 49 details how the company determines whether there has been a significant increase in credit risk.

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

## iv) Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## v) Income recognition

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Dividends

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

## k) Derivatives and hedging activities

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

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

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that

time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

## l) Offsetting financial instruments

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

## m) Property, Plant and Equipment

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

### Depreciation methods, estimated useful lives and residual value

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

## n) Intangible assets

### i) Goodwill

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

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

## ii) Trademarks, copyrights and other rights

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

## iii) Computer software

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

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

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

## iv) Other intangible assets

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

## v) Amortisation methods and periods

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

Particulars	Useful Life
Computer Softwares	3 years
Non-Compete Fees	5 years
Copy Rights	3 years
Trade Mark	3 years
Other Intangibles	3 years

## o) Trade and other payables

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

## p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently

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

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

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

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

## q) Borrowing costs

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

## r) Provision, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may,

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent Assets are neither recognised nor disclosed.

**s) Employee benefits**

**i) Defined Contribution Plan**

Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred.

**ii) Defined Benefit Plan**

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method with actuarial valuation being carried out as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long-term compensated absences are provided for based on actuarial valuation.

**iii) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**t) Contributed equity**

Equity shares are classified as equity.

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

**u) Earnings per share**

In determining Earnings per Share, the Company considers the net profit attributable to company's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could

have been issued on the conversion of all dilutive potential equity shares.

**v) Recent Indian Accounting Standards (Ind AS)**

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

**i) Ind AS - 116 : Leases**

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

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

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability. The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

ii) **Ind AS 12 : Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. The amendment does not amend the situations where the entity pays a tax on dividend which is effectively a portion of dividend paid to taxation authorities on behalf of shareholders.

iii) **Ind AS 109 : Prepayment features with negative compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

iv) **Ind AS 19 : Plan amendment, curtailment or settlement**

The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the

assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

v) **Ind AS 23 : Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes the part of the funds that entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.

vi) **Ind AS 103 : Business Combinations and Ind AS 111 : Joint Arrangements**

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company will apply pronouncement if and when it obtains control / joint control of a business that is a joint operation.



# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 3. Property, Plant and Equipment

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
Gross block													
As at March 31, 2017	302.85	270.30	178.60	4.57	55.25	15.55	8.84	85.75	21.21	31.43	77.27	1,051.62	7.68
Additions	-	-	2.49	-	1.71	3.73	1.84	16.99	1.92	0.23	2.27	31.18	2.64
Disposals / derecognised	-	-	-	-	(0.14)	(0.82)	-	-	(0.01)	-	-	(0.97)	-
As at March 31, 2018	302.85	270.30	181.09	4.57	56.82	18.46	10.68	102.74	23.12	31.66	79.54	1,081.83	10.32
Additions	-	-	0.37	-	4.46	2.43	1.58	20.47	0.44	0.43	1.87	32.05	-
Disposals / derecognised	-	-	-	-	(0.01)	(1.41)	-	(3.55)	-	(0.05)	-	(5.02)	(1.37)
As at March 31, 2019	302.85	270.30	181.46	4.57	61.27	19.48	12.26	119.66	23.56	32.04	81.41	1,108.86	8.95
Accumulated depreciation													
As at March 31, 2017	-	4.68	6.22	0.65	10.85	3.79	3.48	29.63	3.72	5.91	3.12	72.05	-
Depreciation charge during the year	-	4.68	5.73	0.68	9.41	3.54	2.28	26.47	3.83	5.17	3.81	65.60	-
Disposals / derecognised	-	-	-	-	(0.14)	(0.55)	-	-	(0.01)	-	-	(0.70)	-
As at March 31, 2018	-	9.36	11.95	1.33	20.12	6.78	5.76	56.10	7.54	11.08	6.93	136.95	-
Depreciation charge during the year	-	4.68	1.63	0.67	7.45	2.71	1.26	27.64	9.91	6.10	4.42	66.47	-
Disposals / derecognised	-	-	-	-	(0.01)	(0.65)	-	(0.85)	-	(0.06)	-	(1.57)	-
As at March 31, 2019	-	14.04	13.58	2.00	27.56	8.84	7.02	82.89	17.45	17.12	11.35	201.85	-
Net carrying amount as at March 31, 2019	302.85	256.26	167.88	2.57	33.71	10.64	5.24	36.77	6.11	14.92	70.06	907.01	8.95
Net carrying amount as at March 31, 2018	302.85	260.94	169.14	3.24	36.70	11.68	4.92	46.64	15.58	20.58	72.61	944.88	10.32

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 4. Other Intangible assets

(₹ in Millions)							
Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill
As at March 31, 2017	-	77.06	29.66	8.35	-	115.07	99.24
Additions	52.81	30.59	-	-	0.02	83.42	-
Disposals / derecognised	-	-	-	-	-	-	-
As at March 31, 2018	52.81	107.65	29.66	8.35	0.02	198.49	99.24
Additions	-	23.91	-	-	1.41	25.32	-
Disposals / derecognised	-	(1.58)	-	-	(0.50)	(2.08)	-
As at March 31, 2019	52.81	129.98	29.66	8.35	0.93	221.73	99.24

(₹ in Millions)							
Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill
<b>Accumulated amortisation and impairment</b>							
As at March 31, 2017	-	35.16	8.73	2.40	-	46.29	-
Amortisation charge during the year	-	28.14	6.70	1.89	-	36.73	-
Disposals / derecognised	-	-	-	-	-	-	-
As at March 31, 2018	-	63.30	15.43	4.29	-	83.02	-
Amortisation charge during the year	17.59	27.45	6.70	1.87	0.24	53.85	-
Disposals / derecognised	-	(0.10)	-	-	(0.11)	(0.21)	-
As at March 31, 2019	17.59	90.65	22.13	6.16	0.13	136.66	-
Net carrying amount as at March 31, 2019	35.22	39.33	7.53	2.19	0.80	85.07	99.24
Net carrying amount as at March 31, 2018	52.81	44.35	14.23	4.06	0.02	115.47	99.24

## 5. Non-current investments

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (at Fair Value through OCI) (FVOCI)</b>		
18,234 (P.Y. 13,676) fully paid Equity Shares of ₹ 2 each of Wipro Limited	4.65	3.85
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.09	0.06
800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.54	0.59
8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.13	2.55
38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	7.67	7.51
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	3.89	2.55
1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	2.49	2.36
900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.04	0.05
35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.39	0.73
<b>Investment in debentures - Quoted (at Fair Value through Profit &amp; Loss) (FVTPL)</b>		
Nil (P.Y. 100) Units of ₹ 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	-	11.89
<b>Investment in equity instruments (fully paid-up)</b>		
<b>In subsidiaries - Wholly Owned - Unquoted (at cost)</b>		
1,000 (P.Y. 1,000) no par value common stock in Datamatics Global Services Inc.	644.04	644.04
20,000 (P.Y. 20,000) equity shares of Datamatics Infotech Limited of GBP 1 each	1.71	1.71
50,000 (P.Y. 50,000) equity shares of Datamatics Global Technologies AG of CHF 1 each	2.26	2.26
1,000,000 (P.Y. 1,000,000) equity shares of Datamatics Global Technologies Limited of USD 1 each	46.05	46.05

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
50,000 (P.Y. 50,000) equity shares of Datamatics Global Services Pty Limited of AUD 1 each	1.56	1.56
50 (P.Y. 50) equity shares of Datamatics Global Services FZ - LLC of AED 1,000 each	0.86	0.86
50,000 (P.Y. 50,000) equity shares of LD Publishing & eRetail Limited of ₹ 10 each	0.50	0.50
<b>In Subsidiaries - Others- Unquoted (at cost)</b>		
10,028,655 (P.Y. 10,028,655) equity shares of Lumina Datamatics Limited of ₹ 10 each	907.60	907.60
4,459,996 (P.Y. 3,909,996) fully paid equity shares of Datamatics Digital Limited of ₹ 1 each	562.00	550.00
<b>In Joint venture - Others- Unquoted (at cost)</b>		
428,400 (P.Y. 428,400) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	7.94	7.94
<b>Investment in preference shares</b>		
<b>Unquoted (at FVTPL)</b>		
<b>In subsidiaries - Wholly Owned</b>		
12,350,000 (P.Y. 12,750,000) fully paid Series II & III Non Cumulative Redeemable 8% Preference shares of Datamatics Global Technologies Limited of USD 1 each	134.34	134.23
<b>In subsidiaries - Others</b>		
27,670,856 (P.Y. 27,670,856) 9% Redeemable Preference Shares of Lumina Datamatics Limited of ₹ 10 each	165.34	161.06
<b>Total</b>	<b>2,496.09</b>	<b>2,489.95</b>
Aggregate amount of quoted investments	21.89	32.14
Aggregate amount of unquoted investments	2,474.20	2,457.81
Aggregate market value of quoted investments	21.89	32.14

## 6. Non Current Loans

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to Employees	0.29	0.46
<b>Total</b>	<b>0.29</b>	<b>0.46</b>

## 7. Other non-current financial assets

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
Security deposits	42.34	42.15
Less: Allowances for doubtful deposits	6.17	-
Net security deposits	<b>36.17</b>	<b>42.15</b>
Fair value of outstanding forward contracts (FVOCI)	33.50	-
Fair value of outstanding corporate guarantees (FVTPL)	17.48	17.48
<b>Total</b>	<b>87.15</b>	<b>59.63</b>

## 8. Taxation

### 8(a) Income tax expense

(₹ in Millions)		
Particulars	March 31, 2019	March 31, 2018
<b>Current tax</b>		
Current tax on profits for the year	107.56	71.62
Adjustments for current tax of prior periods	(5.12)	2.45
<b>Total current tax expense</b>	<b>102.44</b>	<b>74.07</b>

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	(4.33)	42.69
Adjustments for deferred tax of prior periods	1.88	-
<b>Total deferred tax expense/(benefit)</b>	<b>(2.45)</b>	<b>42.69</b>
<b>Income tax expense</b>	<b>99.99</b>	<b>116.76</b>

## 8(b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Profit for the year</b>	<b>392.35</b>	<b>523.45</b>
Statutory tax rate applicable to Datamatics Global Services Limited	34.94%	34.61%
<b>Tax expense at applicable tax rate</b>	<b>137.10</b>	<b>180.95</b>
Tax effects of:		
Income taxed at higher/ (lower) rates	(4.28)	5.14
Amounts which are not deductible (taxable)	2.46	(13.12)
Tax holiday & exempt income	(22.14)	(33.12)
Adjustments for tax of prior periods	(3.24)	2.45
Basis difference that will reverse during tax holiday period	(0.01)	(0.04)
Taxable due to change in tax base	(9.38)	(7.46)
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(11.22)
Other	(0.52)	(6.82)
<b>Income tax expense</b>	<b>99.99</b>	<b>116.76</b>

## 8(c) - Deferred tax

Particulars	(₹ in Millions)				
	March 31, 2018	Recognized in P&L	MAT credit utilised	Recognized in OCI	March 31, 2019
<b>Deferred Tax Assets</b>					
Employee benefits	37.73	7.58	-	1.41	46.72
Provision for doubtful debts	42.04	(6.96)	-	-	35.08
Investment in subsidiaries	174.91	13.16	-	-	188.06
MAT credit	87.50	-	(82.64)	-	4.86
Others	16.16	4.09	-	-	20.25
<b>Total Deferred Tax Assets</b>	<b>358.34</b>	<b>17.87</b>	<b>(82.64)</b>	<b>1.41</b>	<b>294.98</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	18.26	14.12	-	-	32.37
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	3.10	1.35	-	(0.06)	4.40
Cash flow hedging	(16.89)	-	-	42.68	25.79
Others	0.05	(0.05)	-	-	-
<b>Total Deferred Tax Liabilities</b>	<b>4.52</b>	<b>15.42</b>	<b>-</b>	<b>42.62</b>	<b>62.56</b>
<b>Net Deferred Tax</b>	<b>353.82</b>	<b>2.45</b>	<b>(82.64)</b>	<b>(41.21)</b>	<b>232.42</b>

## 9. Non-current tax assets (net)

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	115.42	34.62
<b>Total</b>	<b>115.42</b>	<b>34.62</b>

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 10. Other non-current assets

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Other advances -		
Prepaid expenses	0.78	2.83
Balance with govt authorities	0.05	8.02
<b>Total</b>	<b>0.83</b>	<b>10.85</b>

## 11. Current investments

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Investment in mutual funds</b>		
<b>Quoted (at FVTPL)</b>		
2,563,272 (P.Y. 1,960,938) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	55.73	39.17
375,340 (P.Y. 375,340) units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	4.78	4.46
133,518 (P.Y. 133,518) units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.54	4.48
205,295 (P.Y. 205,295) units of Aditya Birla Sun Life Corporate Bond Fund - Growth (Face Value of ₹10 each)	14.71	13.64
298,051 (P.Y. 175,039) units of ICICI Prudential Liquid Fund - Growth (Face Value of ₹ 100 each)	82.08	44.88
<b>Total</b>	<b>161.84</b>	<b>106.63</b>
Aggregate amount of quoted investments	161.84	106.63
Aggregate market value of quoted investments	161.84	106.63

## 12. Trade receivables

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Unsecured</b>		
Considered good (Refer Note No.38)	916.20	930.37
Less :- Allowance for doubtful trade receivable	-	-
	<b>916.20</b>	<b>930.37</b>
Credit impaired	94.21	117.56
Less :- Allowance for doubtful trade receivable (Refer Note No.36)	94.21	117.56
	-	-
<b>Total</b>	<b>916.20</b>	<b>930.37</b>

## 13. Cash and cash equivalents

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Bank balances	52.18	75.98
Cheque in hand	10.74	-
Cash on hand	2.41	2.05
<b>Total</b>	<b>65.33</b>	<b>78.03</b>

## 14. Other bank balances

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Margin money deposits*	36.09	5.58
Unpaid dividend account**	1.75	1.87
<b>Total</b>	<b>37.84</b>	<b>7.45</b>

\* Of the above ₹ 36.09 million ( As at March 31, 2018: ₹ 5.58 million) are marked as lien for guarantees issued by banks on behalf of the Company.

\*\* The Company can utilise balances only towards settlement of the unpaid dividend.

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 15. Current Loans

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
(Unsecured, Considered Good, unless specified otherwise)		
Others -		
Loan to employees	0.31	2.62
<b>Total</b>	<b>0.31</b>	<b>2.62</b>

## 16. Other current financial assets

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Security deposits	9.06	7.44
Receivable from related parties (Refer Note No. 38)	37.48	31.43
Others -		
Interest accrued	0.05	0.22
Fair value of outstanding forward contracts (FVOCI)	40.31	6.65
Unbilled revenue	415.17	271.95
<b>Total</b>	<b>502.07</b>	<b>317.69</b>

## 17. Current tax assets (net)

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	17.49	9.58
<b>Total</b>	<b>17.49</b>	<b>9.58</b>

## 18. Other current assets

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Advance to Vendors	17.00	13.83
Advance to staff	5.57	11.84
Balance with govt authorities	3.81	-
Prepaid expenses	35.00	28.88
Other assets	-	0.03
<b>Total</b>	<b>61.38</b>	<b>54.58</b>

## 19. Share capital and other equity

### 19(a) Equity share capital

#### (i) Authorised share capital of face value of ₹ 5/- each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	100,000,000	500.00
Increase during the year	-	-
As at March 31, 2018	100,000,000	500.00
Increase during the year	-	-
As at March 31, 2019	100,000,000	500.00

#### Authorised redeemable preference share capital of face value of ₹ 10/- each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2018	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2019	45,550,000	455.50



# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2018	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2019	58,949,337	294.75

## (ii) Movements in equity share capital

Particulars	Number of shares	₹ in Millions
As at March 31, 2017	58,949,337	294.75
Other movements	-	-
As at March 31, 2018	58,949,337	294.75
Other movements	-	-
As at March 31, 2019	58,949,337	294.75

## (iii) Shares of the company held by holding company

Particulars	March 31, 2019	March 31, 2018
31,813,742 (P.Y. 31,813,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited	159.07	159.07

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

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,477,995	5.90%	3,530,995	5.99%
Asha Lalit Kanodia	3,305,258	5.61%	3,605,258	6.12%

## (v) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 9, 2019 proposed a Dividend of ₹ 1.00 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting. The total dividend declared for the year ended March 31, 2019 amounted to ₹ 58.95 million and corporate dividend tax of ₹ 9.92 million.

## 19(b) Other Equity

Particulars	March 31, 2019	March 31, 2018
Securities premium	1,080.08	1,080.08
Retained earnings	1,989.55	1,721.80
General reserve	1,077.14	1,077.14
Capital reserve	35.60	35.60
Capital redemption reserve	244.28	244.28
OCI -		
Equity investments	4.27	2.63
Actuarial gains and losses	(8.11)	(5.61)
Cash flow hedging reserve	48.03	21.74
<b>Total</b>	<b>4,470.84</b>	<b>4,177.66</b>

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## Nature of reserves

### (i) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

### (ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

### (iii) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company.

### (iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

### (v) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

### (vi) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

## 20. Other non-current financial liabilities

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Creditor for capital expenditure	0.56	0.55
Fair value of outstanding corporate guarantees (FVTPL)	17.48	17.48
Fair value of outstanding forward contracts (FVOCI)	-	1.80
Fair value of contingent consideration	-	159.00
<b>Total</b>	<b>18.04</b>	<b>178.83</b>

## 21. Non-current Provisions

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.42)		
Provisions for employee benefits		
Gratuity	81.10	68.50
Leave encashment	41.66	33.01
<b>Total</b>	<b>122.76</b>	<b>101.51</b>

## 22. Current borrowings

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Working capital loan		
From Banks (Secured)*	-	113.93
From Others (Secured)*	262.50	350.00
<b>Total</b>	<b>262.50</b>	<b>463.93</b>

\* Notes -

Working capital loans from Standard Chartered Bank, ICICI Bank and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipments of the Company, both, past and present.

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of Company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the Company hence considered as current borrowings.

## 23. Trade payables

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Dues of Micro and small enterprises	0.13	-
Dues other than Micro and small enterprises	386.85	317.10
<b>Total</b>	<b>386.98</b>	<b>317.10</b>

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available with the Company. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
(a) Dues remaining unpaid		
- Principal	0.13	-
- Interest on above*	0.01	-
(b) Interest paid in terms of Section 16 of MSMED Act		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	-	-
(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d) Amount of interest accrued and unpaid*	-	-

\* The Company has not provided any interest on the amount outstanding beyond stipulated period.

## 24. Other current financial liabilities

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Fair value of contingent consideration	116.00	-
Deposits received	1.42	-
Unclaimed dividend	1.75	1.87
Other payables	6.58	6.58
<b>Total</b>	<b>125.75</b>	<b>8.45</b>

Dividend ₹ 0.19 million (₹ 0.26 million) unclaimed for a period of more than seven years has been transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2019.

## 25. Current Provisions

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.42)		
Provisions for employee benefits		
Gratuity	17.82	6.14
Leave encashment	4.09	13.13
<b>Total</b>	<b>21.91</b>	<b>19.27</b>

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 26. Current tax liabilities (net)

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	-	12.44
<b>Total</b>	<b>-</b>	<b>12.44</b>

## 27. Other current liabilities

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Statutory dues	38.46	44.48
Advance from customers	13.18	-
Unearned revenue	39.76	7.77
<b>Total</b>	<b>91.40</b>	<b>52.25</b>

## 28. Revenue from operations

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Sales -export	2,547.44	2,216.17
Sales -domestic	1,349.28	1,162.33
<b>Total</b>	<b>3,896.72</b>	<b>3,378.50</b>

## 29. Other income

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Interest Income	0.68	4.98
Dividend on share investment	0.49	0.41
Dividend from joint venture	-	49.26
Profit on sale of investments carried out FVTPL	7.80	31.02
Guarantee fees received	1.96	2.46
Profit on sale of fixed assets	-	0.19
Unrealised gain on fair value of financial assets	26.57	24.88
Exchange gain (net)	14.71	103.24
Provision no longer required written back	1.62	-
Miscellaneous receipts	12.66	9.99
<b>Total</b>	<b>66.49</b>	<b>226.43</b>

## 30. Purchase of products and licenses

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Purchase of IT products and licenses	36.62	49.43
<b>Total</b>	<b>36.62</b>	<b>49.43</b>

## 31. Employee benefit expenses

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Salary, wages & allowances	2,167.94	1,854.29
Contribution towards provident & other funds	102.18	94.00
Staff welfare expense	61.99	52.39
<b>Total</b>	<b>2,332.11</b>	<b>2,000.68</b>

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 32. Finance costs

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Interest on loan from banks	30.17	25.46
Interest on loan others	1.02	4.56
Other borrowing costs	3.31	4.39
<b>Total</b>	<b>34.50</b>	<b>34.41</b>

## 33. Depreciation and Amortisation Expenses

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Depreciation on property plant and equipment	66.47	65.60
Amortisation on intangible assets	53.85	36.73
<b>Total</b>	<b>120.32</b>	<b>102.33</b>

## 34. Other expenses

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
IT infrastructure & development cost	54.07	21.54
Technical fees	267.21	159.49
Outsourcing cost	10.65	10.65
Vendor charges	47.09	58.73
Link charges	21.77	19.07
Software maintenance expenses	36.55	47.37
Recruitment charges	25.64	27.09
Travelling expenses	220.27	234.50
Rent	55.09	52.47
Electricity expenses	67.68	64.04
Water charges	2.15	2.04
Communication charges	14.94	14.98
Rates & taxes	16.39	12.77
Insurance	5.39	3.18
Repairs & maintenance expenses	29.76	27.12
Hire charges	16.06	12.64
Legal & professional expenses	76.09	68.14
Board sitting fees	0.98	0.73
Audit fees (Refer Note No.46)	3.85	4.43
Security charges	14.98	13.46
Subscription expenses	9.04	9.03
Sales commission	-	0.99
Vehicle expenses	5.72	5.01
Printing & stationery	4.74	4.01
Entertainment expenses	4.45	4.69
Bank charges	3.51	2.95
Sales promotion	14.83	6.35
Bad debts	24.97	-
Less: Provision for doubtful debts written back	(24.97)	3.06
Provision for doubtful debts	4.87	-
Provision for doubtful deposit	6.17	-
Loss on sale of assets	0.03	-
Expenditure on CSR	1.21	1.48
Miscellaneous expenses	6.13	2.62
<b>Total</b>	<b>1,047.31</b>	<b>894.63</b>

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 35. Fair value measurements

### Financial instruments by category

(₹ in Millions)

Particulars	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	161.84	-	-	106.63	-	-
- Debentures	-	-	-	11.89	-	-
- Equity instruments (other than investment in subsidiary and JV)	-	21.89	-	-	20.25	-
- Preference shares	299.68	-	-	295.29	-	-
Trade receivables	-	-	916.20	-	-	930.37
Cash and cash equivalents	-	-	65.33	-	-	78.03
Bank balances other than cash and cash equivalents	-	-	37.84	-	-	7.45
Security deposit	-	-	45.23	-	-	49.59
Fair value of outstanding forward contracts	-	73.81	-	-	6.65	-
Fair value of outstanding corporate guarantees	17.48	-	-	17.48	-	-
Loan to employees	-	-	0.60	-	-	3.08
Unbilled revenue	-	-	415.17	-	-	271.95
Other receivables	-	-	37.53	-	-	31.65
<b>Total financial assets</b>	<b>479.00</b>	<b>95.70</b>	<b>1,517.90</b>	<b>431.29</b>	<b>26.90</b>	<b>1,372.12</b>
<b>Financial liabilities</b>						
Borrowings	-	-	262.50	-	-	463.93
Trade payables	-	-	386.98	-	-	317.10
Fair value of outstanding corporate guarantees	17.48	-	-	17.48	-	-
Fair Value of outstanding forward contracts	-	-	-	-	1.80	-
Fair Value of contingent consideration	116.00	-	-	159.00	-	-
Other payables	-	-	10.31	-	-	9.00
<b>Total financial liabilities</b>	<b>133.48</b>	<b>-</b>	<b>659.79</b>	<b>176.48</b>	<b>1.80</b>	<b>790.03</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.

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	161.84	-	-	161.84
Preference shares	-	-	299.68	299.68
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	-	73.81	-	73.81
Equity instruments	21.89	-	-	21.89
<b>Total financial assets</b>	<b>183.73</b>	<b>73.81</b>	<b>317.16</b>	<b>574.70</b>
<b>Financial Liabilities</b>				



# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

(₹ in Millions)				
Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
Fair value of contingent consideration	-	-	116.00	116.00
<b>Total financial liabilities</b>	-	-	<b>133.48</b>	<b>133.48</b>

(₹ in Millions)				
Financial assets and liabilities measured at fair value At March 31, 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	106.63	-	-	106.63
Debentures	11.89	-	-	11.89
Preference shares	-	-	295.29	295.29
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	-	6.65	-	6.65
Equity instruments	20.25	-	-	20.25
<b>Total financial assets</b>	<b>138.77</b>	<b>6.65</b>	<b>312.77</b>	<b>458.19</b>
<b>Financial Liabilities</b>				
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
Fair value of outstanding forward contracts	-	1.80	-	1.80
Fair value of contingent consideration	-	-	159.00	159.00
<b>Total financial liabilities</b>	-	<b>1.80</b>	<b>176.48</b>	<b>178.28</b>

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

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in Millions)	
Particulars	Amount
<b>Balance as on March 31, 2017</b>	<b>328.83</b>
Change in the value	(192.54)
<b>Balance as on March 31, 2018</b>	<b>136.29</b>
Change in the value	47.39
<b>Balance as on March 31, 2019</b>	<b>183.68</b>

## ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

All of the resulting fair value estimates are included in level 3 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

## iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, bank balances, unbilled revenue and other financial assets are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## 36. Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and foreign exchange risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

## A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

### Credit risk management

The company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of such trade receivables as shown in Note 12 of the financials. Reconciliation of loss allowance provision – Trade receivables.

Particulars	₹ In millions
<b>Loss allowance on March 31, 2017</b>	<b>123.57</b>
Changes in loss allowance	(6.01)
<b>Loss allowance on March 31, 2018</b>	<b>117.56</b>
Changes in loss allowance	(23.35)
<b>Loss allowance on March 31, 2019</b>	<b>94.21</b>

## B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## C) Market risk

### i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.

**a) Foreign currency risk exposure:**

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2019 and March 31, 2018 are given below :

Particulars	Currency	(₹ in Millions)			
		March 31, 2019		March 31, 2018	
		Foreign Currency	₹ In Millions	Foreign Currency	₹ In Millions
Receivables	USD	4.34	299.92	6.78	441.77
	GBP	1.24	111.27	1.22	112.53
	EUR	0.45	35.04	0.77	62.31
	CHF	0.28	19.75	0.51	34.85
	AUD	0.15	7.33	0.45	22.47
	AED	-	-	0.08	1.35
	CAD	0.01	0.51	0.03	1.30
	SEK	0.19	1.40	0.14	1.10
Payables	USD	1.40	96.66	0.20	12.81
	EUR	0.01	1.03	0.01	0.98
	CHF	0.01	0.44	0.02	1.68
	GBP	0.07	6.16	0.04	3.92
Loans	USD	-	-	1.74	113.40

**Note :**

The amount mentioned above included ECB Loan as on March 31, 2019 Nil (March 31, 2018 USD 1.74 million) is treated by the Company as natural hedge by assigning future export receivable against repayment of ECB loan and USD receivable against repayment of ECB loan.

**b) Sensitivity**

The Company is mainly exposed to changes in USD, GBP, CHF, AUD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, CHF, AUD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
USD	10.16	15.78
GBP	5.26	5.43
EUR	1.70	3.07
CHF	0.97	1.66
AUD	0.37	1.12

\* Holding all other variables constant

**ii) Cash flow and fair value interest rate risk**

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During the previous year ended March 31, 2018, the company's borrowings at variable rate were mainly denominated in INR and USD .

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Variable rate borrowings	-	113.93
Fixed rate borrowings	262.50	350.00
<b>Total borrowings</b>	<b>262.50</b>	<b>463.93</b>

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

	March 31, 2019			March 31, 2018		
	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans
ECB and PCFC Loans	-	-	-	4.07%	113.93	25%

## b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

	(₹ in Millions)	
	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – increase by 70 basis points (70 bps) *	-	(0.79)
Interest rates – decrease by 70 basis points (70 bps) *	-	0.79

\* Holding all other variables constant

## iii) Price risk

### a) Exposure

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

All of the company's equity investments are publicly traded.

## 37. Capital management

### a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowing includes current maturities of long term borrowings.

	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Borrowings	262.50	463.93
Total equity	4,765.59	4,472.41
Borrowing to equity ratio	0.06	0.10

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## b) Dividends

Particulars	March 31, 2019	March 31, 2018
<b>(i) Equity shares</b>		
Final dividend for the year ended March 31, 2018 of ₹ 0.25 (March 31, 2017 – ₹ 0.75) per fully paid share	14.74	44.21
Interim dividend for the year ended March 31, 2019 of Nil (March 31, 2018 – ₹ 0.50) per fully paid share	-	29.47
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Re. 1.00 per fully paid equity share (March 31, 2018 – ₹ 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	58.95	14.74

## 38. Related party transactions

A) As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company as defined in Ind AS- 24.

(i) **The Company has entered into transactions in ordinary course of business with related parties at arms length as per details given below:**

<b>(A) Subsidiary Companies</b>	<b>(B) Joint Venture Company</b>
Datamatics Global Services Inc.	Cybercom Datamatics Information Solutions Limited
Datamatics Global Technologies Limited	Elevondata Labs Holdings Inc (upto March 15, 2018)
Datamatics Global Technologies AG	Elevondata Labs Private Limited (upto March 15, 2018)
Datamatics Infotech Limited	Elevondata LLC (upto March 15, 2018)
LD Publishing & eRetail Limited	
Datamatics Global Services FZ LLC	<b>(C) Key Managerial Personnel</b>
Datamatics Global Services Pty. Limited	Dr. Lalit S. Kanodia, Chairman
Datamatics Robotics Software Limited	Mr. Rahul L. Kanodia, Vice chairman & CEO
Datamatics Global Technologies GmbH (Stepdown Subsidiary)	Mr. Sameer L. Kanodia, Director
Datamatics Robotics Software Inc (Stepdown Subsidiary)	Ms. Divya Kumat, Company Secretary
Datamatics Global Services Corp. (Stepdown Subsidiary)	Mr. Sandeep Mantri, Chief Financial Officer
RJ Globus Solutions Inc (Stepdown Subsidiary) (w.e.f. April 7, 2018)	
RJ Globus Inc (Stepdown subsidiary) (w.e.f. April 7, 2018)	<b>(D) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel</b>
RJ Globus Solutions Private Limited (Stepdown Subsidiary)	Mrs. Asha L. Kanodia
Cignex Datamatics Corporation (Stepdown Subsidiary)	Mrs. Aneesha Dalmia
Cignex Datamatics Technologies Limited (Stepdown Subsidiary)	Mrs. Priyadarshini Kanodia
Cignex Datamatics Inc. (Stepdown Subsidiary)	Datamatics Staffing Services Limited (upto March 17, 2019)
Cignex Datamatics Pte. Limited (Stepdown Subsidiary)	Datamatics Business Solutions Limited
Cignex Datamatics GmbH (Stepdown Subsidiary)	Datamatics Infotech Services Private Limited
Cignex Datamatics UK Limited (Stepdown Subsidiary)	
Duo Consulting, Inc. (Stepdown Subsidiary)	<b>(E) Holding Company</b>
Attune Infocom Private Limited (Stepdown Subsidiary)	Delta Infosolutions Private Limited
Lumina Datamatics Limited	
Lumina Datamatics Inc. (Stepdown Subsidiary)	
Lumina Datamatics GmbH (Stepdown Subsidiary)	
LDR eRetail Limited (Stepdown Subsidiary)	
Lumina Datamatics Assessment and Analytics, LLC (Stepdown Subsidiary)	
Datamatics Digital Limited	
Techjini Inc (Stepdown Subsidiary)	
Datamatics Staffing Services Limited (Stepdown Subsidiary) (w.e.f. March 18, 2019)	

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

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

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E		
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	
A	Transactions during the year ended											
	Revenue from operations											
		1,068.92	934.20	-	-	-	-	5.57	1.18	-	-	
		345.52	380.99	-	-	-	-	-	-	-	-	
		7.65	6.57	-	-	-	-	-	-	-	-	
		8.07	6.33	-	-	-	-	-	-	-	-	
		695.43	508.63	-	-	-	-	-	-	-	-	
		0.34	0.54	-	-	-	-	-	-	-	-	
		12.45	15.08	-	-	-	-	-	-	-	-	
		4.92	16.06	-	-	-	-	-	-	-	-	
	(5.46)	-	-	-	-	-	-	5.57	1.18	-		
	-	-	-	-	-	-	-	-	-	-		
i	Technical fees											
		133.93	12.26	3.38	3.17	-	-	-	-	-	-	
		85.70	-	-	-	-	-	-	-	-	-	
		15.32	4.14	-	-	-	-	-	-	-	-	
		3.06	-	-	-	-	-	-	-	-	-	
		-	1.76	-	-	-	-	-	-	-	-	
		22.53	3.92	-	-	-	-	-	-	-	-	
		7.32	2.44	-	-	-	-	-	-	-	-	
		-	-	3.38	3.17	-	-	-	-	-	-	
		-	-	-	-	-	-	-	-	-	-	
ii	Outsourcing cost											
		-	-	-	-	-	-	-	0.72	-	-	
		-	-	-	-	-	-	-	0.72	-	-	
v	Expenses incurred by related parties											
		49.69	0.05	-	-	-	-	-	-	-	-	
		49.69	-	-	-	-	-	-	-	-	-	
		-	0.05	-	-	-	-	-	-	-	-	
v	Expenses incurred for related parties											
		20.57	38.28	-	-	-	-	-	-	-	-	
		3.65	7.72	-	-	-	-	-	-	-	-	
		14.74	28.97	-	-	-	-	-	-	-	-	
		1.42	-	-	-	-	-	-	-	-	-	
		-	0.02	-	-	-	-	-	-	-	-	
		-	0.05	-	-	-	-	-	-	-	-	
	0.76	1.52	-	-	-	-	-	-	-	-		
vi	Recruitment expenses											
		-	-	-	-	-	-	-	3.50	-	-	
		-	-	-	-	-	-	-	3.50	-	-	
vii	Legal and professional fees											
		-	-	-	-	-	-	0.26	0.68	-	-	
		-	-	-	-	-	-	0.26	0.24	-	-	
		-	-	-	-	-	-	-	0.44	-	-	
viii	Communication expenses											
		-	-	-	-	-	-	-	0.01	-	-	
		-	-	-	-	-	-	-	0.01	-	-	



# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
		('₹ in Millions)									
ix	<b>Write off of investment</b> Datamatics Global Services GmbH	-	195.95	-	-	-	-	-	-	-	-
		-	195.95	-	-	-	-	-	-	-	-
x	<b>Managerial remuneration</b> Dr. Lalit S. Kanodia Mr. Rahul L. Kanodia Mr. Sameer L. Kanodia	-	-	-	-	22.06	21.32	-	-	-	-
		-	-	-	-	8.05	7.31	-	-	-	-
		-	-	-	-	10.55	9.93	-	-	-	-
		-	-	-	-	3.46	4.08	-	-	-	-
xi	<b>Salaries and allowances</b> Ms. Divya Kumart Mr. Sandeep Mantri Mrs. Priyadarshini Kanodia	-	-	-	-	15.90	14.68	3.13	2.74	-	-
		-	-	-	-	8.49	7.83	-	-	-	-
		-	-	-	-	7.41	6.85	-	-	-	-
		-	-	-	-	-	-	3.13	2.74	-	-
xii	<b>Commission</b> Dr. Lalit S. Kanodia Mr. Rahul L. Kanodia Mrs. Asha L. Kanodia	-	-	-	-	7.70	9.98	0.21	0.15	-	-
		-	-	-	-	3.85	4.99	-	-	-	-
		-	-	-	-	3.85	4.99	-	-	-	-
		-	-	-	-	-	-	0.21	0.15	-	-
xiii	<b>Board sitting fees</b> Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.19	0.13	-	-
		-	-	-	-	-	-	0.19	0.13	-	-
xiv	<b>Purchase of Property, plant and equipment</b> Mrs. Aneesha Dalmia	-	-	-	-	-	-	0.78	0.57	-	-
		-	-	-	-	-	-	0.78	0.57	-	-
xv	<b>Corporate guarantee fees</b> Datamatics Global Services Inc. Cignex Datamatics Technologies Limited Cybercom Datamatics Information Solutions Limited	0.96	1.46	1.00	1.00	-	-	-	-	-	-
		-	0.50	-	-	-	-	-	-	-	-
		0.96	0.96	-	-	-	-	-	-	-	-
		-	-	1.00	1.00	-	-	-	-	-	-
xvi	<b>Dividend income</b> Cybercom Datamatics Information Solutions Limited	-	-	-	49.27	-	-	-	-	-	-
		-	-	-	49.27	-	-	-	-	-	-
xvii	<b>Interest expenses</b> Dr. Lalit S. Kanodia Mr. Sameer L. Kanodia Mrs. Asha L. Kanodia	-	-	-	-	-	3.32	-	1.24	-	-
		-	-	-	-	-	1.04	-	-	-	-
		-	-	-	-	-	2.28	-	-	-	-
		-	-	-	-	-	-	-	1.24	-	-
xviii	<b>Repayment of borrowings during the year</b> Dr. Lalit S. Kanodia Mr. Sameer L. Kanodia Mrs. Asha L. Kanodia	-	-	-	-	-	72.80	-	27.20	-	-
		-	-	-	-	-	22.80	-	-	-	-
		-	-	-	-	-	50.00	-	-	-	-
		-	-	-	-	-	-	-	27.20	-	-
xix	<b>Dividend Paid</b> Dr. Lalit S. Kanodia Mr. Sameer L. Kanodia Mrs. Asha L. Kanodia Mrs. Priyadarshini Kanodia Delta Infosolutions Private Limited	-	-	-	-	1.18	5.88	1.20	5.98	7.95	39.77
		-	-	-	-	0.81	4.04	-	-	-	-
		-	-	-	-	0.37	1.84	-	-	-	-
		-	-	-	-	-	-	0.83	4.13	-	-
		-	-	-	-	-	-	0.37	1.85	-	-
		-	-	-	-	-	-	-	-	7.95	39.77

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
xx	<b>Loans and advances refunded during the year</b>										
	Datamatics Infotech Limited	41.67	37.09	0.01	0.01	-	-	-	0.48	-	-
	Datamatics Global Services FZ-LLC	15.33	0.04	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	18.69	24.80	-	-	-	-	-	-	-	-
	Datamatics Global Services Inc.	0.95	0.02	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc	0.20	1.39	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	-	3.16	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies GmbH	-	1.51	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	0.05	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	6.35	5.64	-	-	-	-	-	-	-	-
	LDR e-Retail Limited	-	0.53	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	0.10	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.01	0.01	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	0.48	-	-
xxi	<b>Loans and advances given during the year</b>										
	Datamatics Global Services Inc.	47.24	31.09	0.24	0.06	-	-	0.26	2.00	-	-
	Datamatics Global Technologies AG	1.33	2.79	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	0.03	-	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	21.82	-	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	10.06	5.07	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.34	0.68	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	1.96	4.90	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	11.68	17.58	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	-	0.07	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.02	-	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	0.24	0.06	-	-	0.26	2.00	-	-
xxii	<b>Investment in capital of subsidiaries</b>										
	Datamatics Digital Limited	55.00	391.00	-	-	-	-	-	-	-	-
xxiii	<b>Slump Sale</b>										
	Datamatics Robotics Software Limited	18.00	-	-	-	-	-	-	-	-	-
xxiv	<b>Redemption of preference shares</b>										
	Datamatics Global Technologies Limited	18.33	50.03	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	-	50.03	-	-	-	-	-	-	-	-

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
ii	<b>Balance as at March 31</b>										
	<b>Loans and advances receivable</b>										
	Datamatics Global Services Inc.	36.71	30.91	0.55	0.32	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	12.05	10.92	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	0.03	0.02	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	0.26	-	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	0.57	7.59	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	0.82	6.09	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	0.31	0.93	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	-	0.05	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.05	0.02	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	0.90	5.29	-	-	-	-	-	-	-	-
iii	<b>Payables</b>	21.72	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.55	0.32	-	-	-	-	-	-
iv	<b>Guarantees</b>										
	Cignex Datamatics Technologies Limited	6.46	6.30	-	-	9.20	11.30	-	0.04	-	-
	Cybercom Datamatics Information Solutions Limited	-	3.92	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	1.00	0.80	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	5.46	1.58	-	-	-	-	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	3.85	4.99	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	3.85	4.99	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	1.50	1.32	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	-	0.04	-	-
v	<b>Receivables</b>	197.57	404.69	0.22	0.15	-	-	3.43	1.64	-	-
	Datamatics Global Services Inc.	59.17	253.56	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	1.89	2.29	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	120.33	122.55	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	12.62	4.76	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	-	0.32	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	0.59	19.11	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	2.97	2.10	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.22	0.15	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	3.43	1.64	-	-
vi	<b>Guarantees</b>	48.00	48.00	50.00	50.00	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	48.00	48.00	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	50.00	50.00	-	-	-	-	-	-

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 39. Leases

The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 34. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Within one year	19.32	29.68
Later than one year but not later than five years	10.04	27.13
Later than five years	-	-

Rental expense relating to operating leases

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Total rental expense relating to operating leases	55.09	52.47

Notes:

- Future lease payments are determined on the basis of terms of the lease agreement.
- At the expiry of term of the agreement, the Company has an option either to return the leased asset or extend the term by giving a notice in writing.
- There are no sublease payments as well as no contingent rent.

## 40. Investment in subsidiaries

The Company has investments of ₹ 646.30 million (Previous year ₹ 646.30 million) in two of its wholly owned subsidiaries and has also extended loans and advances of ₹ 12.09 million (Previous year ₹ 11.82 million) to these subsidiaries as on March 31, 2019. The net worth of these subsidiaries as on March 31, 2019 is ₹ 539.48 million (Previous year ₹ 411.64 million) which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future and hence, no provision for diminution in the value of investment has been considered necessary by the management.

## 41. Earnings per share

Particulars	March 31, 2019	March 31, 2018
(a) Net Profit after taxation attributable to equity shareholders (₹ in millions)	292.36	406.69
(b) Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.)	58,949,337	58,949,337
(c) Earnings per share (Nominal value per share ₹ 5 each) Basic and Diluted earnings per share (in ₹) (a/b)	4.96	6.90

## 42. Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation are determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

### I. Defined Contribution Plan

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
<b>Charge to the Statement of Profit and Loss based on contributions:</b>		
Employers contribution to provident fund	83.51	77.80
Employers contribution to employees' state insurance	15.89	13.94
Employers contribution to employees' pension scheme 1995	2.51	1.98
Employers contribution to labour welfare fund and others	0.27	0.28
Included in contribution to provident fund and other funds (Refer Note No.31)	102.18	94.00

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## II. Defined Benefit Plan

### i) Movement in Present Value of Obligation

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Present Value of Obligation as at the beginning	74.64	58.95	46.13	49.23
Current Service Cost	10.62	9.72	14.46	6.94
Interest Expense or Cost	5.74	4.22	3.55	3.52
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in financial assumptions	0.50	(5.00)	0.29	(2.20)
- experience variance (i.e. actual experience vs assumptions)	3.47	6.45	2.95	5.46
Past Service Cost	17.00	9.23	-	-
Benefits Paid	(12.54)	(8.93)	(21.32)	(16.82)
Acquisition adjustment	(0.51)	-	(0.31)	-
Present Value of Obligation as at the end	98.92	74.64	45.75	46.13

### ii) Expenses recognised in the income statement and other comprehensive income

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current service cost	10.62	9.72	14.46	6.94
Past service cost	17.00	9.24	-	-
Net interest cost on the net defined benefit liability	5.74	4.22	3.55	3.53
Actuarial (gains) / losses	-	-	3.23	3.26
Expenses recognised in Profit & Loss Account	33.36	23.18	21.24	13.73
Other Comprehensive Income				
Actuarial (gains) / losses				
- Change in financial assumptions	0.50	(5.00)	-	-
- Experience variance	3.47	6.45	-	-
Expenses recognised in OCI	3.97	1.45	-	-

### iii) Financial Assumptions

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

Particulars	Gratuity		Leave Encashment	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Discount Rate (per annum)	7.65%	7.70%	7.65%	7.70%
Salary growth rate (per annum)	4.50%	4.50%	4.50%	4.50%
Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08

### iv) Sensitivity Analysis

(₹ in Millions)

Particulars	Gratuity			
	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	104.12	94.16	79.25	70.44
Salary growth rate (- / + 0.5%)	93.99	104.27	70.59	79.00
Attrition rate (- / + 25%)	98.97	98.87	74.57	74.71
Mortality rate (- / + 10%)	98.80	99.03	74.53	74.75

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## Sensitivity Analysis

(₹ in Millions)

Particulars	Leave Encashment			
	March 31, 2019		March 31, 2018	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	52.09	40.54	50.38	42.59
Salary growth rate (- / + 1%)	40.34	52.25	42.46	50.47
Attrition rate (- / + 50%)	43.32	47.85	41.78	49.13
Mortality rate (- / + 10%)	45.69	45.81	46.09	46.17

### v) Maturity profile of Defined Benefit obligation

(₹ in Millions)

	Gratuity	Leave Encashment
Expected Cash flow over the next (valued on undiscounted basis)	Amount	Amount
1 Year	17.82	4.09
2 to 5 years	21.89	9.89
6 to 10 years	36.96	16.82
More than 10 years	200.25	130.05

## 43. Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(₹ in Millions)

Contingent Liabilities to the extent not provided for:	March 31, 2019	March 31, 2018
<b>(a) Claims against the Company not acknowledged as debt:</b>		
(i) Income Tax matters	17.74	17.74
(ii) PF related matters		
The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub-judice. As a matter of caution, the Company is consulting in respect of the matter and will make provision on a prospective basis once there is a clarity. However, the impact will be immaterial.		
<b>(b) Details of guarantees outstanding as at:</b>		
(i) Corporate guarantees provided to banks against credit facilities extended to subsidiaries and joint venture	98.00	98.00
(ii) Guarantees given by banks	341.60	165.29
<b>(c) Capital and other commitments:</b>		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	-	-

## 44. Forward contracts in foreign currencies

The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:



# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
Not later than one month	139.83	93.27
Later than one month and not later than three months	275.62	187.67
Later than three months and not later than one year	1,088.52	781.54
Later than one year	876.38	215.72
<b>Total</b>	<b>2,380.35</b>	<b>1,278.20</b>

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

Foreign Currency	March 31, 2019			March 31, 2018		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	183	15.62	28.57	107	11.60	24.28
Euro	35	1.79	5.91	7	0.42	(0.63)
Sterling Pound	212	11.10	39.33	92	4.30	(18.80)
<b>Total</b>			<b>73.81</b>			<b>4.85</b>

Net gain on derivative instruments of ₹ 73.81 million (FY 2017-18 ₹ 4.85 million) recognised in Hedging Reserve as of March 31, 2019, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2021.

## 45. Segment Information

The company publishes standalone financial statements of the company along with the consolidated financial statements. In accordance with Ind AS 108 - Operating segments, the company has disclosed the segment information in the consolidated financial statements.

## 46. Auditor's Remuneration

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
For services as auditors, including quarterly audits	2.80	3.27
For tax audit	0.23	0.23
For other services	0.82	0.85
Reimbursement of out of pocket expenses	-	0.08
<b>Total</b>	<b>3.85</b>	<b>4.43</b>

## 47. Loans and advances to Subsidiaries consist of following

Particulars	(₹ in Millions)			
	Balance Outstanding as on March 31, 2019	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2018	Maximum amount outstanding during the year
Datamatics Global Services Inc. *	12.05	12.05	10.92	10.92
Datamatics Infotech Limited *	0.82	9.57	6.09	6.09
Datamatics Global Services Pty Limited *	0.31	0.93	0.93	0.95
Datamatics Global Technologies AG *	0.05	0.05	0.02	0.02
Lumina Datamatics Limited *	0.90	5.98	5.29	21.75
Cignex Datamatics Technologies Limited*	-	-	-	21.06
Cignex Datamatics Inc.*	-	-	-	3.09
Datamatics Global Services FZ LLC *	0.57	10.68	7.59	18.80
Lumina Datamatics GmbH *	-	0.05	0.05	0.05
Cignex Datamatics Pte. Ltd. *	0.03	0.03	0.02	0.02
Datamatics Robotics Software Limited*	21.72	21.72	-	-
Datamatics Staffing Services Limited*	0.26	0.26	-	-
<b>TOTAL</b>	<b>36.71</b>	<b>61.32</b>	<b>30.91</b>	<b>82.75</b>

\* Interest free advances.

# Notes to the Standalone Financial Statements (Contd.)

As at March 31, 2019

## 48. Loans and advances to Subsidiaries consist of following

### a) Loans given

There are no loans / inter corporate deposits given during the year.

### b) Investments made

There are no investments by Company other than those stated under Note 5 and Note 11 in the financial statements.

### c) Guarantees given

Particulars	(₹ in Millions)	
	March 31, 2019	March 31, 2018
To secure obligations of subsidiaries and Joint Venture - Guarantees to banks	98.00	98.00

### d) Securities given

There are no securities given during the year.

## 49. Impairment

As per Companies (Accounting Standards) Rules, 2013 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 2013, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

## 50. Transfer pricing

The Management is of the opinion that its international transactions are at arm's length as per the independent accountants certificate for the year ended March 31, 2019. The Management continues to believe that its international transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

## 51. Revenue from contract with major customers

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2019 and March 31, 2018.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets are as follows:

Particulars	(₹ in Millions)	
	Amount	
Balance at beginning of the year	62.51	
Revenue recognised during the year	139.30	
Invoices raised during the year	157.68	
Balance at the end of the year	44.13	

## 52. Events occurring after Balance Sheet date

### Dividend

Dividends paid during the year ended March 31, 2019 include an amount of ₹ 0.25 per equity share towards final dividend for the year ended March 31, 2018. Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 9, 2019, the Board of Directors of the Company have proposed a final dividend of ₹ 1.00 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting.

## Notes to the Standalone Financial Statements (*Contd.*)

As at March 31, 2019

### 53. Previous year's figures

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

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

For and on behalf of the Board

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

**J. P. Bairagra**  
Partner  
Membership No. 012839

**R. K. Saraswat**  
DIN 00015095  
Director

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Place :** Mumbai  
**Dated :** May 09, 2019

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

**Statement pursuant to first provision to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to Subsidiary Companies**

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Equity	Other Equity	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit / (Loss) before taxation (2)	Provision for taxation (2)	Profit / (Loss) after taxation (2)	Proposed dividend	Percentage of Shareholding	Country
1	Datamatics Global Services Inc	USD	69.14	1,952.64	(1,413.71)	958.24	419.32	-	1,945.68	126.19	4.03	122.16	-	100.00%	USA
2	Datamatics Infotech Limited	GBP	90.05	1.80	159.67	344.72	183.25	-	996.10	54.17	7.54	46.63	-	100.00%	UK
3	Datamatics Global Services Pty Limited	AUD	49.05	2.45	14.40	28.32	11.47	-	51.36	9.37	2.81	6.56	-	100.00%	Australia
4	Datamatics Global Technologies Limited	USD	69.14	923.02	87.27	1,012.55	2.26	-	9.87	1.21	0.18	1.03	-	100.00%	Mauritius
5	Datamatics Global Services Corp	PHP	1.32	26.45	(3.53)	125.74	102.82	-	-	(0.23)	0.83	(1.06)	-	100.00%	Philippines
6	Datamatics Global Services FZ LLC	AED	18.99	0.94	114.63	121.95	6.38	-	92.30	(6.86)	(0.00)	(6.86)	-	100.00%	Dubai
7	Datamatics Global Technologied GmbH	EUR	77.55	-	-	-	-	-	-	-	-	-	-	100.00%	Germany
8	Datamatics Global Technologies AG	CHF	69.50	3.48	(2.92)	2.53	1.98	-	15.39	(1.05)	(0.00)	(1.05)	-	100.00%	Switzerland
9	Datamatics Robotics Software Inc	USD	69.14	0.69	(0.96)	0.63	0.89	-	3.39	(0.97)	0.00	(0.97)	-	100.00%	USA
10	Datamatics Robotics Software Limited	INR	1.00	10.00	(7.53)	16.18	13.71	-	32.83	(8.34)	(2.19)	(6.15)	-	100.00%	India
11	RJ Globus Solutions Inc	PHP	1.32	0.33	(0.53)	6.59	6.79	-	364.60	25.19	1.99	23.20	-	75.00%	Philippines
12	RJ Globus Inc	USD	69.14	0.69	(0.02)	0.67	-	-	-	(0.02)	(0.00)	(0.02)	-	75.00%	USA
13	RJ Globus Solutions Private Limited	INR	1.00	0.10	(0.01)	0.10	0.00	-	-	(0.01)	0.00	(0.01)	-	75.00%	India
14	Lumina Datamatics Limited	INR	1.00	290.80	1,982.36	2,422.93	149.76	63.08	1,372.46	141.69	39.75	101.94	-	98.00%	India
15	Lumina Datamatics Inc	USD	69.14	2,458.22	(168.29)	2,466.34	176.40	0.63	2,299.60	52.00	3.55	48.45	-	98.00%	USA
16	Lumina Datamatics GmbH	EUR	77.55	15.51	1.11	20.98	4.37	-	32.19	0.86	0.17	0.69	-	98.00%	Germany
17	LDR eRetail Limited	INR	1.00	50.00	(33.35)	17.10	0.45	(0.00)	7.53	1.01	0.00	1.01	-	98.00%	India
18	Lumina Datamatics Assessment & Analytics, LLC	USD	69.14	216.84	(108.97)	125.07	-	-	(0.45)	(3.69)	(0.00)	(3.69)	-	63.70%	USA
19	LD Publishing and eRetail Limited	INR	1.00	0.50	(0.03)	0.47	-	-	-	(0.03)	0.00	(0.03)	-	100.00%	India
20	Cignex Datamatics Corporation	USD	69.14	27.25	(70.73)	(43.37)	9.33	-	-	(9.22)	(0.00)	(9.22)	-	61.80%	BVI
21	Cignex Datamatics Inc	USD	69.14	127.70	160.80	672.60	289.09	-	1,358.12	156.37	61.36	95.01	-	61.80%	USA
22	Cignex Datamatics Technologies Limited	INR	1.00	0.50	338.58	498.99	111.04	171.14	848.21	78.97	30.11	48.86	-	61.80%	India
23	Cignex Datamatics Pte. Limited	SGD	51.01	0.00	12.12	35.07	20.13	-	30.95	2.82	0.00	2.82	-	61.80%	Singapore
24	Cignex Datamatics UK Limited	GBP	90.05	0.01	(1.38)	0.64	2.24	-	-	(0.65)	(0.42)	(0.23)	-	61.80%	UK
25	Cignex Datamatics GmbH	EUR	77.55	1.94	0.08	4.17	1.71	-	5.33	0.46	0.02	0.44	-	61.80%	Germany

(₹ in Millions)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Equity	Other Equity	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit / (Loss) before taxation (2)	Provision for taxation (2)	Profit / (Loss) after taxation (2)	Proposed dividend	Percentage of Shareholding	Country
26	Duo Consulting, Inc.	USD	69.14	68.25	(23.83)	101.70	53.45	-	175.46	3.84	(0.00)	3.84	-	40.71%	USA
27	Attune Infocom Private Limited	INR	1.00	9.52	3.04	28.66	13.06	-	65.50	3.91	1.09	2.82	-	31.52%	India
28	Datamatics Digital Limited	INR	1.00	5.50	251.82	299.81	42.49	71.83	510.62	130.87	36.20	94.67	-	81.10%	India
29	Techjini Inc	USD	69.14	0.27	19.51	54.44	34.65	-	215.98	6.48	1.97	4.51	-	81.10%	USA
30	Datamatics Staffing Services Limited	INR	1.00	1.00	9.52	35.94	25.41	1.59	3.60	0.40	-	0.40	-	41.36%	India
31	Cybercom Datamatics Information Solutions Limited	INR	1.00	8.48	142.52	164.73	13.73	62.14	105.18	50.54	10.98	39.57	21.21	50.50%	India

## Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the Subsidiary Companies, are based on the exchange rates as on March 31, 2019.
2. Converted at monthly average exchange rates.
3. Investments represents investments other than investments in subsidiaries.
4. The reporting period for all the Subsidiaries is March 31, 2019.

For and on behalf of the Board

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

**R. K. Saraswat**  
DIN 00015095  
Director

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Divya Kumat**  
EVP, Chief Legal Officer &  
Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

**Place :** Mumbai  
**Dated :** May 09, 2019











ANNUAL REPORT  
2019-20

# DATAMATICS

FOR THE NEW WORLD

ROBOTICS | INTELLIGENT AUTOMATION | DIGITAL FINANCE  
DIGITAL WORKPLACE | CLOUD | ENTERPRISE APPLICATION MANAGEMENT  
DIGITAL EXPERIENCE | DIGITAL CONTENT MANAGEMENT  
CUSTOMER MANAGEMENT | AUTOMATED FARE COLLECTION

## What's Inside

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Datamatics provides intelligent solutions for data-driven businesses to increase productivity and enhance the customer experience. With a complete digital approach, Datamatics portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics all powered by Artificial Intelligence. It has established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection. Datamatics services global customers across Banking, Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing. The Company has presence across 4 continents with major delivery centers in the USA, Europe, India, and Philippines.

### CONSOLIDATED REVENUE (₹ in Million)

# 12,033.2

↑ 6.2%

### EBITDA (₹ in Million)

# 1,235.7

↓ 7.7%

### WORLDWIDE Significant Customers

# 200+

### OFFICES in Countries

# 6

### GLOBAL DELIVERY CENTERS in Regions

# 4



# DATAMATICS FOR THE NEW WORLD.

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

Our digital solutions like Robotics, Intelligent Automation, Digital Finance, Digital Workplace, and Cloud help our customers increase enterprise productivity. While, solutions such as Customer

Management, Digital Experience, and Digital Content Management help the customers build deeper customer relationships.

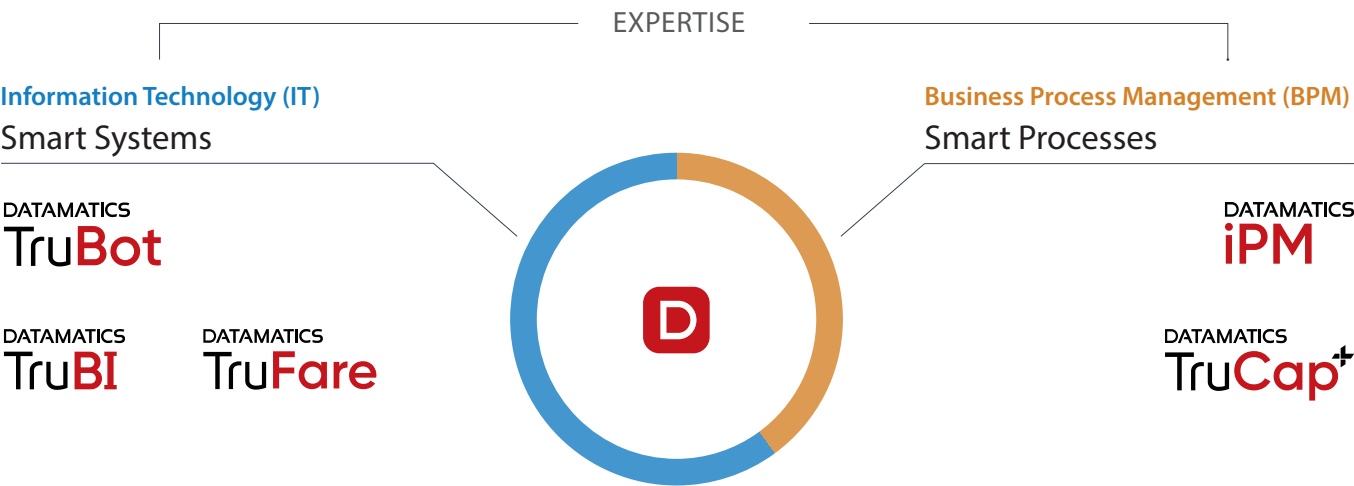
As our customers adopt digital technologies to drive their businesses in the coming times, we are well positioned to implement Digital Technologies for our customers. It provides us an excellent opportunity to partner with them in implementing digital transformation solutions that would ensure business continuity for our customers and enable them to remain competitive.



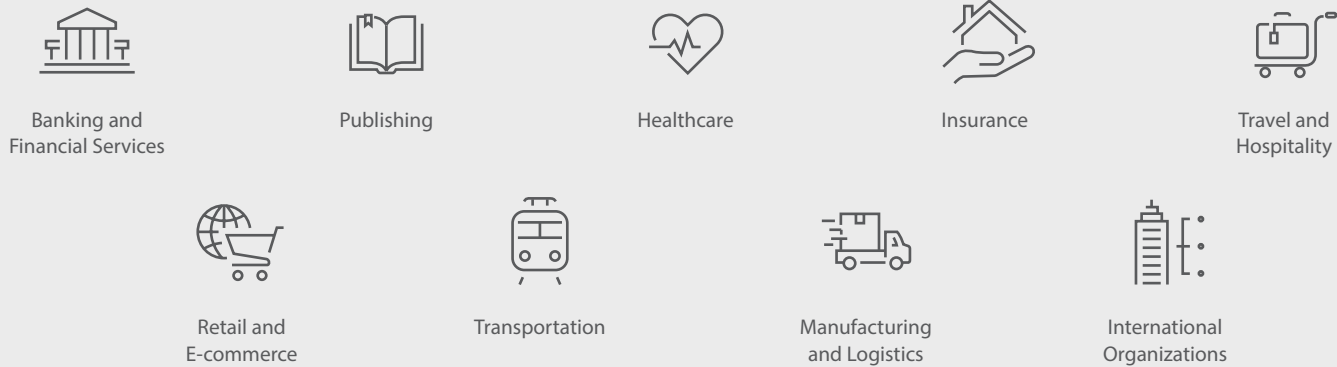
# At a Glance

## What we do

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



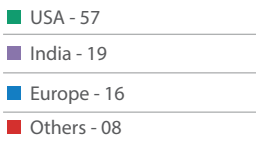
### Transforming businesses across industries



### Top three revenue contributors by industry (%)



### Top three revenue contributors by region (%)



## Strategic Focus

### Strengthening digital solutions footprint Strategic Focus

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

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

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



Digital Solutions – Robotic Process Automation, mobility, cloud, analytics



Focus on products and platforms



Establish partner and reseller channels



Automated Fare Collection opportunity



Increase account penetration



Invest in marketing and branding



Business continuity in times of COVID-19

#### Strategic Priorities



In FY 2019-20, we made significant investments in strengthening our digital footprint, and are now uniquely positioned to implement digital technologies such as Robotic Process Automation, Digital Experiences, Analytics, Cloud and Artificial Intelligence for our customers. We are focusing on deepening our account penetration with our customers, which include Fortune 500 companies, by cross-selling and up-selling through integrated sales and marketing efforts.

Our products and platforms, such as TruBot in Robotic Process Automation, TruCap+ in intelligent data capture, iPM in end-to-end workflow management, TruBI in business intelligence and data visualization, and TruFare in Automated Fare Collection, are gaining good traction.

As part of our product strategy, we are aggressively investing in expanding our partner network to increase the sales momentum

and ensure smooth implementation and support for our IP products globally. We are also investing in marketing and branding efforts to increase visibility and geographic reach.

Automated Fare Collection (AFC) has been one of our key focus areas. We see this as a huge opportunity in emerging economies around the world, including India. We are also actively pursuing US market and have won the AFC contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

In the wake of COVID-19 crisis, Datamatics priorities include focusing on employee well-being, servicing and retaining our customers and tightly managing our cash-flows. Team Datamatics has done exceedingly well in managing on all the three fronts in the face of the current crisis. Also, with a diversified customer base across industries, we believe, Datamatics is better prepared to face the challenge.

# Business Overview

## Transform To Perform

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

Datamatics is a global Technology, BPM and Digital Solutions company providing intelligent solutions for data-driven businesses. With a complete digital approach, Datamatics portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics all powered by Artificial Intelligence. It has established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection.



### IT SOLUTIONS

**Application Management Services**

**Digital Solutions**

- Robotic Process Automation (RPA)
- Digital Experience
- Cloud Solutions

**Automated Fare Collection (AFC)**

The worldwide IT spending is expected to total US\$ 3.4 trillion in 2020, a decline of 8% from 2019, mainly due to impact of COVID-19. As the pandemic continues to spur remote working, public cloud services, which is applicable into multiple categories, is expected to be a bright spot growing at 19% in 2020, as per Gartner .

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

IT Solutions: FY 2019-20 performance highlights

REVENUE ₹ in million)	GROWTH Y-O-Y (in %)	REVENUE CONTRIBUTION (in %)	EBITDA MARGIN (in %)	REPEAT BUSINESS (in %)
7,071	8.8	59	11.1	91



## BUSINESS PROCESS MANAGEMENT

### Financial Transaction Processing

### Content Management and Publishing

### Customer Management

The global IT-BPM market is expected to touch US\$ 221-\$ 226 billion in 2020, growing at 4%-6%, the slowest in the last five years, exacerbated by slowdown due to the COVID-19 outbreak. India, which accounts for 40%-45% share of IT –BPM, is expected to see progress, albeit at a slower rate, weighed down by the COVID-19 impact, lower growth forecasts, tight credit policies, and slow economic reform. United States continues to remain biggest market for BPM.

Our BPM offerings help organizations drive cultural change through digitization and automation, providing tangible benefits to enterprises in terms of higher process efficiency, increased compliance, complete transparency, shorter time-to-market, and customer delight. We are seeing specific opportunities in the process automation and dynamic content management areas.



### BPM: FY 2019-20 performance highlights

REVENUE (₹ in million)	GROWTH Y-O-Y (in %)	REVENUE CONTRIBUTION (in %)	EBITDA MARGIN (in %)	REPEAT BUSINESS (in %)
4,962	2.6	41	9.1	94



## ROBOTIC PROCESS AUTOMATION (RPA)

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

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



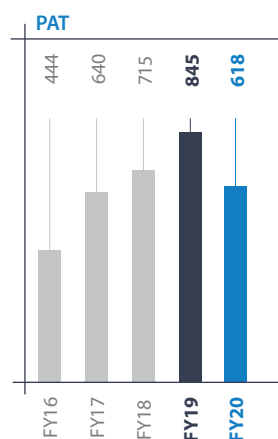
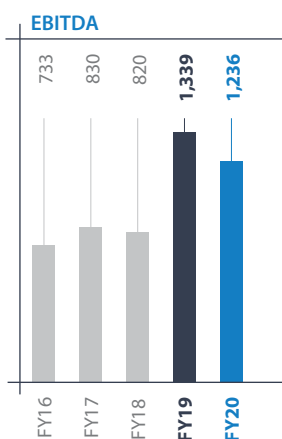
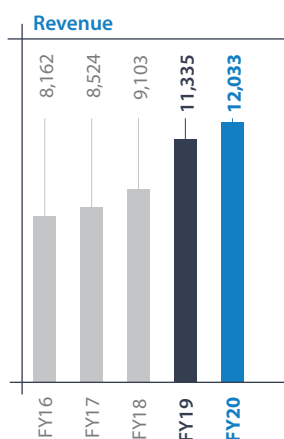
### Robotic Process Automation (RPA)

ACTIVE TRUBOTS	PROCESS AUTOMATED	CUSTOMERS GLOBALLY	TRUBOT EXPERTS	DOCUMENTS PROCESSED THROUGH TRUCAP+ (in Mn)
4000+	1000+	100+	300+	300+

# Key Performance Indicators

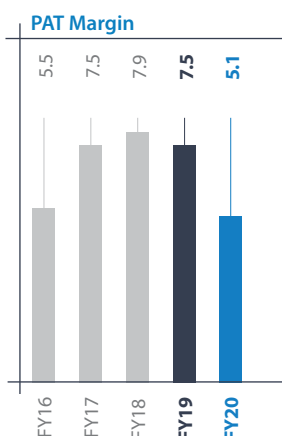
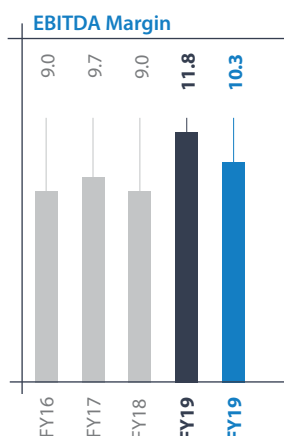
## Robust revenues, stable margins

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



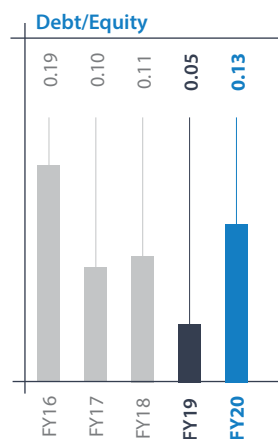
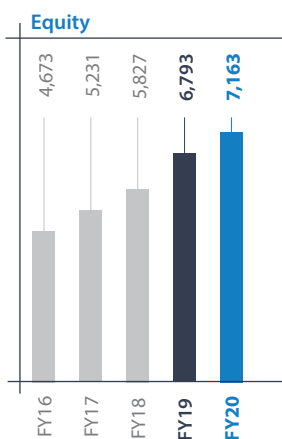
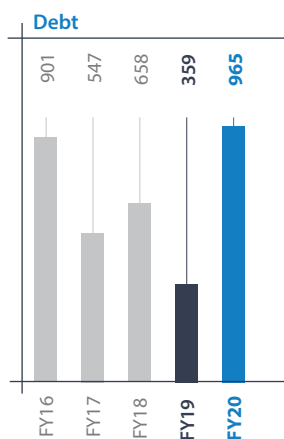
Note: EBITDA excluding Other Income  
PAT before Non-controlling Interest

Stable margins (in %)



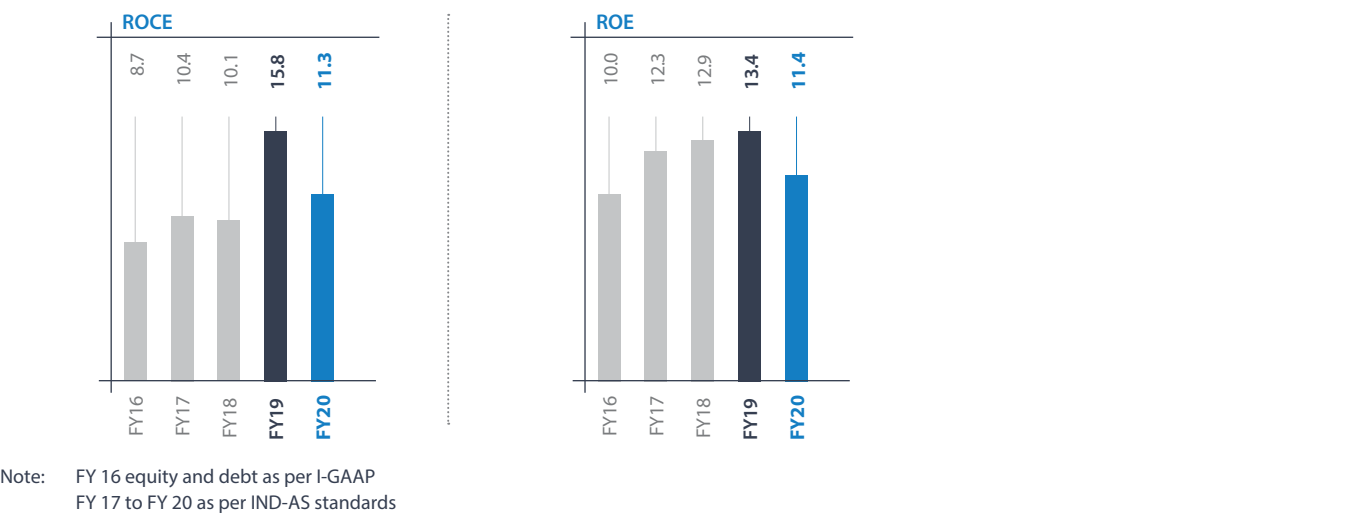
Note: EBITDA excluding Other Income  
PAT before Non-controlling Interest

Healthy balance sheet (₹ in million)

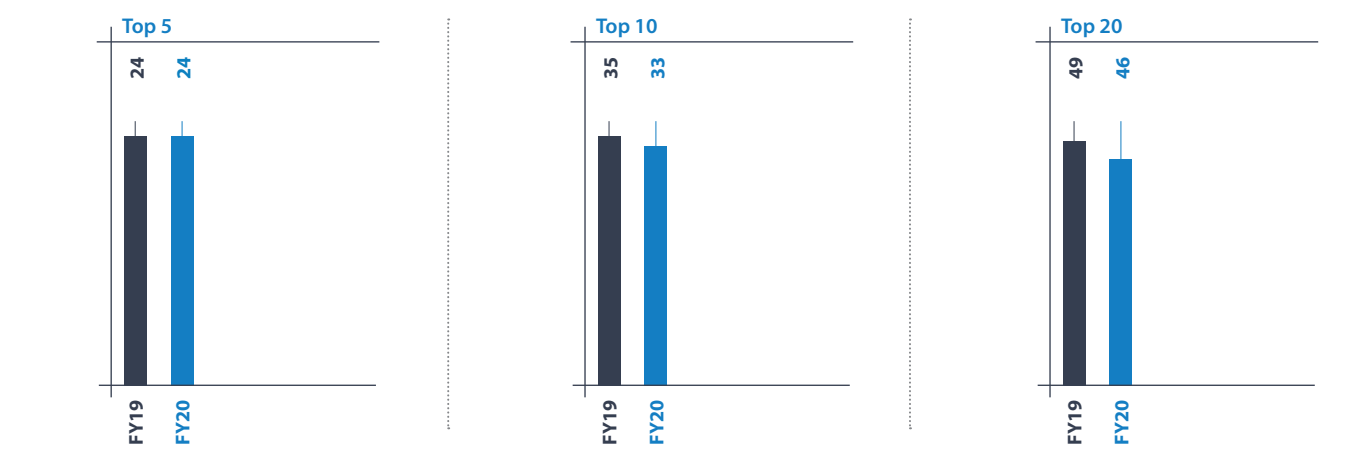


Note: FY 16 equity and debt as per I-GAAP  
FY 17 to FY 20 as per IND-AS standards

Improving return ratios (in %)



Client concentration (in %)





## Chairman's Message



**Dr. Lalit S. Kanodia**

Founder and Chairman

Dear Shareholders,

We are continuing to steer a careful path in keeping with the changing demands, caused by challenging times.

*Paraphrasing the writings of Charles Dickens in "A Tale of Two Cities":*

*This is the best of times. This is the worst of times.*

*This is the age of opportunity and the age of unforeseen disaster.*

*This is simultaneously the age of hope and the age of despair.*

First, let me dwell why this is the best of times.

The world continues to adopt Digital Technologies at an increasingly rapid pace. Both Governments and business enterprises are leveraging Digital Technologies, like never before, to increase their efficiency and provide better and more responsive services to all their stakeholders.

Advances in Artificial Intelligence, Machine Learning and Robotic Process Automation have added fuel to the worldwide growth of Digital Technology. Artificial Intelligence relates to machines behaving more and more like human beings. This encompasses the study of how we humans make decisions, and examines whether this can be encoded. It includes a confluence of pattern recognition, probability theory, heuristics and machine learning. This is opening up entirely new vistas for all of us. Personally, I believe this will increase

global opportunities and employment for all, in both the medium and long term, just as the Industrial Revolution resulted in increased employment and greater human welfare.

There is great pressure on all organizations to increase their efficiency to remain competitive, thereby fueling the demand for Software Products and Services. In brief, they are now driven by the maxim "Produce More For Less". Software Product Companies thus continued to be valued highly, as measured by their Market Cap.

On the flip side, we are confronted with two counter pressures.

The COVID-19 Pandemic has turned the world upside down and has confronted us with the biggest disruption and challenge since World War II.

Due to this pandemic, the universal expectation is that the world's GDP will shrink by about 10% in a year. This has caused pricing pressures worldwide, when customers are demanding more services at lower prices.

Also due to increasing unemployment in most countries, and in particular in the USA, there is increasing pressure on all Governments around the world to reduce or even eliminate Work Visas and to abstain from importing, both products and services. Fortunately, this has relatively a lower impact on the procurement of overseas Intellectual Property and Knowhow.

Your Company, besides all its traditional businesses of providing Technology, BPM and Digital Solutions, in keeping with the above trends is investing in developing Solutions based on Artificial Intelligence, Machine Learning and Robotic Process Automation.

Your Company derives 81% of its consolidated revenues from overseas geographies which has over the years fueled its growth. Our largest revenues continue to be derived from the US market. We see a global shift in almost all countries attempting to reduce their dependence on imports and the reducing impact of the World Trade Organization or WTO that had championed the cause of International Trade. In keeping with this, your Company is increasing its presence overseas, particularly in the US market, where we largely employ local Americans.

Indian IT Companies have now grown to a size in terms of both revenue and profits where they can invest in Software / Digital Products. This has impacted their short term margins but will simultaneously result in future cash flows and profits which will yield handsome results.

Your Company, besides all its traditional businesses of providing Technology, BPM and Digital Solutions, in keeping with the above trends is investing in developing Solutions based on Artificial Intelligence, Machine Learning and Robotic Process Automation. We are attempting to develop products based on them on the premise that this has the potential of generating substantial future revenue streams. We are also the only Indian company to have a robust Automated Fare Collection (AFC) solution.

We have participated in Exhibitions and have showcased our efforts to leading Analysts such as Gartner, Everest, Forrester, etc. and have won recognitions. We firmly believe that our key asset is our staff and we continue to invest in them at all stages including continuous training.

Our major operating subsidiaries are Lumina Datamatics and Cignex Datamatics. Lumina Datamatics, is in the business of ePublishing and eRetail business from India, the USA, Germany and ROW. Cignex Datamatics is in the business of Open Source, Cloud and Automation solutions and services having its presence in India, the USA, Singapore and ROW.

Our clients continue to repose confidence in us worldwide, as is evident from the kudos we continuously receive from them. We continue to win awards worldwide which reflect the quality of both our Products and Services.

We look forward with great hope and expectations, despite the pandemic that we are confronted with. I must thank all our shareholders for the confidence they have reposed in us.

**Dr. Lalit S. Kanodia**  
Founder and Chairman

## Vice Chairman & CEO Message



**Rahul L. Kanodia**

Vice Chairman & CEO

Dear Shareholders,

Datamatics with its experience and expertise has carved out a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that help businesses in their Digital Transformation journey. In FY20, we made significant efforts and investments in strengthening our digital footprint.

In FY20, we launched the new version of our Robotic Process Automation (RPA) product TruBot 4.0. It has over 25 new features making TruBot easier-to-use, more secure, and more intelligent to deliver automation benefits to the customers. TruBot 4.0 has built into it TruCap+ as an integrated cognitive capture module. We are getting a good response from the market to TruBot and have already started servicing some very marquee and leading logos around the world. To increase the sales momentum and ensure smooth implementation and support for TruBot, we have expanded our partner network to over 100 partners across the globe. Notable inclusions in the channel ecosystem are TCS as global strategic partner and Ingram Micro, a global broad-based IT distributor, as preferred reseller in India.

Cloud is a growing area and we have partnered with leading cloud solutions providers including Amazon Web Services and Microsoft Azure. We have successfully delivered several projects and are

witnessing high interest from customers.

Automated Fare Collection (AFC) has been our key focus area. We see this as a huge opportunity in emerging economies around the world, including India. Over the last 15 years, we have been instrumental in successfully executing over 25 marquee projects in tier 1 metropolitan cities across the globe. We are the only Indian Company to have a robust AFC, Smart Gates and Contactless Gates solutions. We are also actively pursuing US market and have won the AFC contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

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

As our customers adopt digital technologies to drive their businesses in the coming times, we are well positioned to implement Digital Technologies - including Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics and Artificial Intelligence - for our customers.

In FY20 our consolidated revenue stood at ₹ 12,033 million reflecting a growth of 6.2% in Rupee terms. Of the total revenue, IT solutions - include application management services, digital solutions such as Robotic Process Automation, Digital Experiences, Cloud solutions, analytics as well as Automated Fare Collection - constitute 59% with EBITDA of 11.1%. On the other hand, Business Process Management constitute 41% of total revenues with EBITDA of 9.1%.

The Q4 of FY20 saw an adverse impact because of COVID-19. We had our business continuity plan ready and in matter of a few days, we were able to get most of our employees working from home. As a response for COVID-19, we have clearly defined our priorities which include focus on employee well-being, servicing and retaining customers, and managing our cash flows. I am very proud of fellow Datamaticians as they ensured that all our customers are serviced with negligible disruption.

To help enterprises navigate the business risk and mitigate their productivity losses, Datamatics has launched 'COVID-19 Enterprise Support Program'. Under this program, Datamatics is offering free use of three TruBots until 30<sup>th</sup> September 2020. With this program, the company aims to help the enterprises mitigate business risks and successfully manage their

operations remotely by using Datamatics TruBot. The company has seen a good response to this program not only from the existing customers, but also from the other enterprises, which are using RPA for the first time.

As our customers adopt digital technologies to drive their businesses in the coming times, we are well positioned to implement Digital Technologies - including Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics and Artificial Intelligence - for our customers. It provides us an excellent opportunity to partner with them in implementing digital transformation solutions that would ensure business continuity for our customers and enable them to remain competitive.

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

Yours Sincerely,

**Rahul L. Kanodia**

Vice Chairman & CEO

# Achievements

## Recognitions and Awards in FY 2019-20



### ANALYST COVERAGE

In FY 2019-20 Datamatics featured in various reports by leading global analysts. Some of the key mentions are as follows:



#### Robotic Process Automation

- TruBot recognised by Gartner in Magic Quadrant for Robotic Process Automation Software
- TruBot recognised by Gartner Peer Insights as 'Voice of the Customer': Robotic Process Automation Software, 2019
- Datamatics acknowledged by Gartner in Critical Capabilities for Robotic Process Automation report 2019
- Datamatics featured in Everest Group PEAK Matrix Assessment, 2019: RPA – Technology Vendor Landscape as 'STAR PERFORMER'
- TruBot recognised by Juniper Research in Robotic Process Automation in Telecoms & Insurance, 2019
- TruBot featured in the NelsonHall NEAT for Intelligent Automation Platforms 2019 as 'HIGH ACHIEVER'
- TruBot recognised by Quadrant Knowledge Solutions in SPARK Matrix: for Robotic Process Automation 2019
- HFS recognises Datamatics in the Top 10 Robotic Process Automation (RPA) Software Products 2020
- TruCap+ featured in Everest Peak Matrix - Intelligent Document Processing (IDP) Technology Vendors 2020 as 'MAJOR CONTENDER'
- Gartner recognises Datamatics' RPA Use cases in the 'Tool: Banking and Insurance Use Cases to Drive Hyperautomation', 2020
- Gartner recognises Datamatics in the Competitive Landscape: Robotic Process Automation Software, 2020



#### Business Process Management

- Datamatics recognised by Everest Group in Finance and Accounting Outsourcing (FAO) Annual Report 2019: Why, What, and How of F&A Transformation
- Datamatics recognised by Everest Gas in Banking BPS – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 as 'MAJOR CONTENDER'
- Datamatics recognised by Everest Group as a Star Performer in Finance and Accounting (F&A) Digital Capability Platform (DCP) Solutions PEAK Matrix™ Assessment 2020
- Datamatics Finance and Accounting solution profiled by ISG in 'Datamatics: Re-envisioning Finance through Intelligent Solutions', 2020



Gartner Peer Insights 'Voice of the Customer': Robotic Process Automation Software report rates Datamatics TruBot the highest among all RPA software vendors with a 90% mean percentage for 'Willingness to recommend.'





## AWARDS AND ACHIEVEMENTS

Datamatics also received awards from industry bodies for its solutions.

**Datamatics**

- American Business Awards® awarded Gold Stevie Award 2019 to TruBot
- International Association of Outsourcing Professionals (IAOP) featured Datamatics in the 'IAOP global outsourcing 100 list 2020'
- IBS Intelligence recognised TruBot with Global FinTech Innovation Awards 2019
- MRSI Golden Key Award acknowledged Datamatics for 'Best business impact through analytics'
- NASSCOM awarded Customer Service Excellence Award 2019 to Datamatics
- Datamatics won Rail Analysis India Award 2020 for TruFare, its Automated Fare Collection (AFC) product

**Lumina Datamatics**

- World HRD Congress recognised Lumina Datamatics for 'Best Mature Workforce Practices' at the India Human Capital Summit & Awards 2019
- World HRD Congress recognised Lumina Datamatics as 'National Best Employer Brands 2019' at the 14th Employer Branding Awards.
- Asia Pacific HRM Congress Awards 2019 acknowledged Lumina Datamatics as 'Dream company to work for in ePublishing and eRetail'.
- Indo-American Chamber of Commerce acknowledged Lumina Datamatics at 15<sup>th</sup> Indo-American Corporate Excellence Awards 2019 as Runners-up for the 'Excellence in Service Award'.

**Cignex Datamatics Technologies**

- Great Place to Work® Institute, India recognised Cignex Datamatics as 'Great Place to Work' for the 3rd consecutive year in a row in the category of 'Small & Mid-Sized Organizations' for the year 2019-20.
- Rated among Top 10 Companies in India as 'Safe Places to Work' in a survey by Rainmaker





## Board of Directors



**Dr. Lalit Kanodia**  
Chairman

Dr. Lalit S. Kanodia, the Founder and Chairman of Datamatics Group of Companies, is one of the pioneers in the Indian Software and BPM Services industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up Tata Consultancy Services in 1967. As the Chief Mentor at Datamatics, Dr. Kanodia drives all innovation, new product development and quality initiatives. After obtaining a degree in engineering from IIT, Bombay, he completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA). Dr. Kanodia was on the Executive Board of MIT (Europe, Asia and Africa). He was also past President of Management Consultants Association of India, Indo American Chamber of Commerce and IMC Chamber of Commerce and Industry. Recently, he has been nominated as a member of the Advisory Council of the University of Mumbai by the Hon'ble Governor of Maharashtra.



**Dilip D. Dandekar**  
Independent Director

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



**Rahul L. Kanodia**  
Vice Chairman & CEO

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



**R. K. Saraswat**  
Independent Director

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



**Sameer L. Kanodia**  
Non-Executive Director

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



**Mona Bhide**  
Independent Director

Ms. Mona Bhide has been in legal practice since the year 1989 and is the Managing Partner of Dave & Girish & Co. Advocates. Her practice revolves around corporate law, securities and banking transactions, capital markets, structured finance, securitisation, swaps, derivatives, mergers and acquisitions and restructuring. Ms. Bhide is also advisor to various MNCs, banks and financial institutions. Her education in India is B.Com and LL.B from University of Mumbai and she has studied further for graduation with an LLM degree from Northwestern University, School of law, Chicago. In United States she worked at Sedgwick, Deetert Moran and Arnold, an international law firm and research at the American Bar Foundation, at Chicago, USA on the topics like SEC Regulations; Conflicts of interest; and Globalization of the legal profession. Currently, she is also on the Board of National Stock Exchange, Alliance of Business Lawyers, Vinati Organics Ltd. and GIC Housing Finance Limited apart from Datamatics Global Service Ltd.



**Asha L. Kanodia**  
Non-Executive Director

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



**Vinay M. Aggarwal**  
Independent Director

Vinay Aggarwal has an MBA in Finance from North Eastern University, USA. After a stint with Unisys at their world HQ in Detroit, he became the Vice President of Tata Unisys Ltd. (1981-88). Thereafter, he was appointed as the CFO of TCS (1990-2003). He also worked briefly as the CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an Independent Consultant.

## Leadership Team



**Rahul L. Kanodia**  
Vice Chairman & CEO



**Brajesh Ugra**  
President - Global Sales



**Divya Kumari**  
EVP, Chief Legal Officer &  
Company Secretary



**Mitul Mehta**  
SVP & Head-Marketing &  
Communications



**Navin Gupta**  
EVP & Head-Business Process  
Management Services



**Rajesh Agarwal**  
SVP & Head-Robotic Process  
Automation



**Dr. Rima Chowdhury**  
EVP & Chief Human  
Resources Officer



**Sachin Rane**  
EVP and Head-Software  
Solutions



**Sandeep Arora**  
EVP & Global Head- Customer  
Management & Consulting



**Sandeep Mantri**  
SVP and Chief Financial Officer



**Sanjeet Banerji**  
EVP & Head - Artificial Intelligence  
& Cognitive Sciences



**Sanjeev Subhedar**  
EVP and Head-  
Engineering Solutions



**Shashi Bhargava**  
EVP and Head-Solutions Group

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## Corporate information

### Registered Office

#### Knowledge Centre

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

### Corporate Identification Number (CIN)

L72200MH1987PLC045205

### Registrar & Share Transfer Agents

#### Datamatics Business Solutions Limited

Plot No. B-5, Part B, Cross Lane  
MIDC, Andheri (E)  
Mumbai – 400093  
Tel: +91 (22) 6671 2151  
Fax: +91 (22) 6671 2230  
Email: [depository@datamaticsbpm.com](mailto:depository@datamaticsbpm.com)

### EVP, Chief Legal Officer & Company Secretary

Divya Kumat

### Auditors

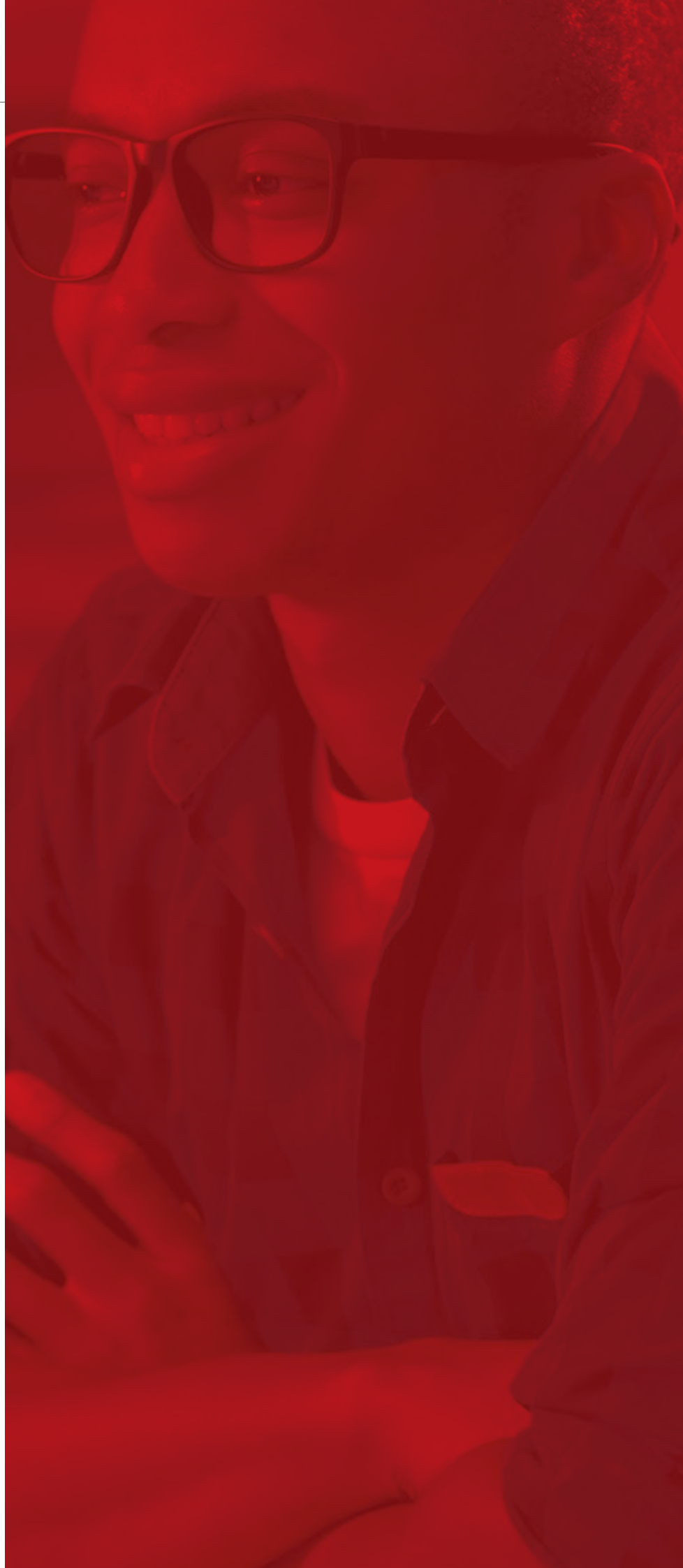
M/s. M L BHUWANIA AND CO LLP

### Solicitors

Chambers of Amir Arsiwala  
M/s. Bulwark Solicitors

### Bankers

Citi Bank  
ICICI Bank Limited  
HDFC Bank Limited  
Standard Chartered Bank





# NOTICE

**NOTICE** is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING (AGM)** of the members of **DATAMATICS GLOBAL SERVICES LIMITED** will be held on Saturday, December 26, 2020 at 11.30 A.M through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2020, together with the Reports of the Auditors; and
  - (b) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Rahul L. Kanodia (DIN: 00075801), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

3. **To appoint Mrs. Asha L. Kanodia as Non-Executive Non-Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Asha L. Kanodia (DIN: 00008061), appointed as Non-Executive Non-Independent Additional Director by the Board of Directors with effect from September 10, 2020 and who holds the office pursuant to provisions of Section 161 of the Companies Act, 2013 upto date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the appointment of Mrs. Asha L. Kanodia (DIN: 00008061) having already attained age of 75 years, as Non-Executive Non-Independent Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard."

4. **To appoint Mrs. Mona Bhide as Woman Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Mona Bhide (DIN: 05203026) who has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and who was appointed as an Additional Director and also as a Woman Independent Director of the Company by the Board of Directors with effect from December 20, 2019 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying her intention to propose her as a candidate for the office of the Director, be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation for a term of five (5) years with effect from December 20, 2019 to December 19, 2024;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard."

5. **To re-appoint Dr. Lalit S. Kanodia as Chairman & Whole Time Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 203 and other applicable provisions, if any of the Companies Act, 2013 ("Act"), as amended or re-enacted from time to time, read with Schedule V and rules made



thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and subject to such other consents, approval, permissions as may be required and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, Dr. Lalit S. Kanodia, Chairman & Whole Time Director (DIN: 00008050) of the Company, who has attained the age of 70 years and whose period of office expired on May 14, 2020, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed for a period of five years with effect from May 15, 2020;

**RESOLVED FURTHER THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and Sections 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, consent of the Members be and is hereby accorded for payment of remuneration to Dr. Lalit S. Kanodia (DIN: 00008050), Chairman & Whole Time Director of the Company, as per the below terms and conditions, notwithstanding that the annual aggregate remuneration payable to the Executive Directors, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the tenure of his appointment:

1. Basic Salary	: Rs. 60,00,000/- per annum.
2. Personal Allowance/Perks	: Rs. 22,80,000/- per annum.
3. Accommodation	: (i) Rent-free fully furnished accommodation or Allowance as per the rules of the Company; (ii) Reimbursement of gas, electricity and house maintenance expenses subject to one month's basic salary per year i.e. Rs. 5,00,000/-
4. Medical	: Reimbursement of medical expenses for self and family subject to maximum of one month's basic salary per year i.e. Rs. 5,00,000/-.  Notwithstanding the ceiling specified in clause 2 above, if reimbursement of expenses claimed under clause 3 (ii) and 4 is less than the specified maximum limit, the balance shall be added to the personal allowance on an annual basis.
5. Leave Travel Allowance	: As per the rules of the Company.

6. Club	: Club Fees subject to maximum of two clubs. This will include annual membership fee but not admission fee and life membership fee.
7. Insurance	: As per the rules of the Company.
8. Leave	: As per the rules of the Company.
9. Provident Fund	: Contribution to Provident Fund/ Annuity Fund/Superannuation Fund or allowance as per the rules of the Company.
10. Gratuity	: Gratuity in accordance with the rules of the Company.
11. Car	: Vehicle(s) as per the rules of the Company.
12. Telephone	: Communication facilities as per the rules of the Company.
13. Commission	: Upto 1% of the net profits of the Company as computed in accordance with the provisions of 197 of the Companies Act, 2013.

**RESOLVED FURTHER THAT** the gross remuneration to be paid to Dr. Lalit S. Kanodia be increased, augmented and/or enhanced, subject to the aforesaid provisions and applicable approvals upto 20% per annum or at such other rate as may be approved by the Board;

**RESOLVED FURTHER THAT** in case of absence or inadequacy of profits for any financial year, Dr. Lalit S. Kanodia be paid remuneration by way of salary and perquisites as specified above subject to the requisite approvals and restrictions, if any, set out in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) as may be applicable from time to time;

**RESOLVED FURTHER THAT** the Board of Directors and/or any Committee thereof be and is hereby authorized from time to time to amend, alter or otherwise vary the terms and conditions of the re-appointment of Dr. Lalit S. Kanodia including remuneration, within the overall limits specified in the Act or other regulations as may be applicable to the Company;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may be considered expedient and necessary in this regard."

#### 6. To re-appoint Mr. Vinay Aggarwal as Independent Director of the Company.

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and any other applicable provisions of



the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinay Aggarwal (DIN: 00030483), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years with effect from August 28, 2020 to August 27, 2025;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may be considered expedient and necessary in this regard."

**7. To divest entire 62.51% shares in CIGNEX Datamatics Inc. (a corporation headquartered in the USA), indirectly held by the Company through Datamatics Global Technologies Limited (Mauritius).**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

**"RESOLVED THAT** pursuant to Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 180(1)(a) of the Companies Act, 2013, read with rules issued thereunder and all other applicable provisions of the Companies Act, 2013, including any statutory modifications and amendments and applicable notifications, clarifications, circulars, rules and regulations issued by the Government of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, and other statutory authorities and subject to the Memorandum and Articles of Association of the Company and other requisite statutory and regulatory approvals, if and to the extent necessary, the consent of the Members be and is hereby accorded to dispose of the entire stake which is indirectly held by the Company in its step down and Material Foreign Subsidiary CignexDatamatics Inc. ("Cignex US") through its wholly-owned subsidiary i.e. Datamatics Global Technologies Limited, Mauritius ("DGTL") by way of divestment through stock redemption agreement entered into by and between Cignex US and DGTL (the said transaction being hereinafter referred to as the "Proposed Divestment" for the purpose of this Resolution);

**RESOLVED FURTHER THAT** Dr. Lalit S. Kanodia, Chairman & Whole-Time Director and/or Mr. Rahul L. Kanodia, Vice-Chairman & CEO and/or Ms. Divya Kumat, EVP, Chief Legal Officer & Company Secretary ("authorized signatories"), be and are hereby severally authorised to perform all the actions

involved in facilitating the consummation of the Proposed Divestment, including but not limited to (i) negotiating and finalising (alongside the management and authorised representatives of DGTL and Cignex US) the terms and conditions in relation to the above divestment with the representatives of DGTL and Cignex US; (ii) to execute on behalf of the Company such agreements and documents as may be necessary for the purpose of and in connection with the Proposed Divestment; (iii) to assist the management of DGTL and Cignex US for obtaining approvals (if required) from the concerned regulatory authorities within or outside India; and (iv) taking assistance and advise of professionals such as chartered accountants, solicitors, company secretaries etc. from time to time for the purpose of the Proposed Divestment;

**RESOLVED FURTHER THAT** authorized signatories be and are hereby severally authorised to do all such acts, deeds and things and take all such steps and actions, execute all such deeds, documents and writings and also give such directions and delegations, as it may in its absolute discretion deem fit;

**RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/or any of its Directors and/or officers and/or representatives for and in the name of the Company and its subsidiaries in this regard be and is hereby noted, ratified and approved."

By **Order of the Board of Directors**  
**Divya Kumat**  
**EVP, Chief Legal Officer &**  
**Company Secretary**

**Place** : Mumbai  
**Date** : November 24, 2020

**Registered Office:**

Knowledge Centre, Plot No. 58, Street No. 17  
MIDC, Andheri (E), Mumbai - 400 093.  
CIN: L72200MH1987PLC045205  
Tel: +91(22) 61020000/1/2 | Fax: +91(22)28343669  
Website: [www.datamatics.com](http://www.datamatics.com)  
Email: [investors@datamatics.com](mailto:investors@datamatics.com)

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed.



3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
  4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to swapneel@spassociates.co with a copy marked to evoting@nsdl.co.in.
  5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Datamatics Business Solutions Limited ("DBSL") for assistance in this regard.
  6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with DBSL in case the shares are held by them in physical form.
  7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to DBSL in case the shares are held by them in physical form.
  8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to DBSL in case the shares are held in physical form.
  9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or DBSL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
  10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  11. Shareholders are requested to forward their queries on the annual report for the financial year ended March 31, 2020 to the Company on investors@datamatics.com at least 10 days in advance, to enable us to keep the required information available at the Meeting.
  12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). Members' attention is particularly drawn to the "Corporate Governance" section with respect to unclaimed and unpaid dividends.
  13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.datamatics.com](http://www.datamatics.com) at the link <https://www.datamatics.com/about-us/investor-relations/financials>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL <https://www.evoting.nsdl.com>.
  14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
  16. Instructions for e-voting and joining the AGM are as follows:
- A. VOTING THROUGH ELECTRONIC MEANS**
- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

ii. The remote e-voting period commences on December 23, 2020 (9:00 a.m. IST) and ends on December 25, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on December 19, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The Register of members and Share Transfer Books of the Company will be closed from December 20 2020 to December 26, 2020.

iii. The Registers required to be maintained under the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to investors@datamatics.com.

iv. The Board of Directors has appointed Mr. Swapneel V. Patel, Company Secretary in Practice (Membership No. A41106/Certificate of Practice No. 15628) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

v. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

vi. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

vii. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, will only be entitled to avail the facility of remote e-Voting as well as voting through e-voting system during the AGM.

viii. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

ix. The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-voting system.

#### **Details on Step 1 are mentioned below:**

#### **How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a personal computer or on a mobile.

2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.

4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001***

5. Your password details are given below:

a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system.

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.



- ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.
6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-voting will open.

#### Details on Step 2 are mentioned below:

#### How to cast your vote electronically on NSDL e-voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 115024.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [swapneel@spassociates.co](mailto:swapneel@spassociates.co) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
4. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: [evoting@nsdl.co.in/pallavid@nsdl.co.in](mailto:evoting@nsdl.co.in/pallavid@nsdl.co.in), Tel: 91 22 2499 4545/ 1800-222-990.

#### Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate:

Physical Holding	<p>Send a request to the Registrar and Transfer Agents of the Company, DBSL at <a href="mailto:investorsqry@datamatics.bpm.com">investorsqry@datamatics.bpm.com</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details:</p> <ol style="list-style-type: none"> <li>a) Name and Branch of the Bank in which you wish to receive the dividend,</li> <li>b) the Bank Account type,</li> <li>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions</li> <li>d) 9 digit MICR Code Number, and</li> <li>e) 11 digit IFSC Code</li> <li>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.</li> </ol>
Demat Holding	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.



**B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in)/ 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in)/ 022-24994553.
4. Members can submit questions in advance with regard to any business set out in the Notice of the 32<sup>nd</sup> AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address [investors@datamatics.com](mailto:investors@datamatics.com) at least 48 hours in advance before the start of the meeting i.e. by December 24, 2020 by 11:30 a.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.
5. A facility will be provided to the Shareholders attending the meeting through VC/ OAVM, whereby they can pose questions concurrently, during the proceeding of the meeting. Questions raised during the meeting will be responded by the company suitably. Company however reserves the right to limit and respond to queries raised by members.

6. Members are encouraged to join the Meeting through Laptops for better experience.
7. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

**C. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website [www.datamatics.com](http://www.datamatics.com) and on the website of NSDL <https://www.evoting.nsdl.com> immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

**By Order of the Board of Directors**

**Place :** Mumbai  
**Date:** November 24, , 2020

**Divya Kumat**  
**EVP, Chief Legal Officer &**  
**Company Secretary**



## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

### Item No. 3

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Asha L. Kanodia as an Additional Director of the Company with effect from September 10, 2020 under Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Act, Mrs. Asha L. Kanodia holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mrs. Asha L. Kanodia appointment as a Non-Executive Non-Independent Director, liable to retire by rotation.

Mrs. Asha L. Kanodia is not disqualified from being appointed as a Non-Executive Non-Independent Director in terms of Section 164 and has also given her consent to act as Non-Executive Director of the Company.

Further as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that Mrs. Asha L. Kanodia has already attained the age of 75 years, it is necessary to approve appointment of her directorship on the Board of Directors of the Company by way of a special resolution.

She holds 33,05,258 equity shares of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Dr. Lalit S. Kanodia, Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

#### **Brief Profile and Justification for appointment of Mrs. Asha Kanodia [DIN: 00008061] as Non-Executive Director of the Company:**

Mrs. Asha Kanodia, wife of Chairman Dr. Lalit S. Kanodia has done her graduation in psychology from University of Mumbai. She studied Social Psychology at the Massachusetts Institute of Technology, USA. She is also an Interior Designer and has designed most of Datamatics offices.

Mrs. Asha Kanodia with her expertise, skills and knowledge, can articulate and provide valuable guidance and inputs in all matters pertaining business matters and the Board of the Company believes that her association will be valuable and positive.

The Board recommends Special Resolution set out at Item No. 3 of the Notice for approval by the Members.

### Item No. 4

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Mona Bhide as an Additional Director under section 161 and also as Woman Independent Director of the Company, subject to approval of the Members, for a term of 5(five) year with effect from December 20, 2019 to December 19, 2024. In terms of Section 161(1) of the Act, Mrs. Mona Bhide holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose appointment of Mrs. Mona Bhide as Non-Executive Woman Independent Director, not liable to retire by rotation.

Mrs. Mona Bhide is not disqualified from being appointed as a Non-Executive Woman Independent Director in terms of Section 164 and has also given her consent to act as Non-Executive Woman Independent Director of the Company.

Further the Company has also received declarations from Mrs. Mona Bhide that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mrs. Mona Bhide fulfils the conditions for appointment as Non-Executive Woman Independent Director as specified in the Act and the Listing Regulations.

Mrs. Mona Bhide does not hold any equity shares of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mrs. Mona Bhide is not related to any Director of the Company.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

#### **Brief Profile of the Director seeking appointment - Mrs. Mona Bhide [DIN: 05203026]**

Mrs. Mona Bhide is a commerce and law graduate and has done her LLM from Northwest University School of Law, Chicago. She has further studied Securities Law, Business Corporation and M&A at Kellogg Management School.

She is a Managing Partner at Dave & Girish & Co., law firm focusing on Corporate & Securities laws since 1992. She is presently in charge of International Corporate Law and structured finance. She has also advised on joint ventures, mergers/acquisitions, securities law (domestic and offshore issues) project finance, technology transfer, corporate restructuring, securitisation, derivatives, and intricate financial structures for Banks and Corporates.

She is rated as "Highly Recommended Lawyer" by Global Counsel 3000 for Projects, Restructuring and Insolvency, Company & Corporate Transactions and Project Finance and is a Member of:-



- (a) Bar Council of Maharashtra & Goa;
- (b) Law Society, London; and
- (c) International Bar Association.

Looking at Mrs. Mona Bhide's rich experience and expertise, the management feels that her appointment as Non-Executive Woman Independent Director will be beneficial to the Company and its stakeholders.

The Board recommends Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

#### Item No.5

The members of the Company had, at the 27<sup>th</sup> AGM of the Company held on August 28, 2015, re-appointed Dr. Lalit S. Kanodia as Chairman & Whole Time Director of the Company for a period of five years effective from May 15, 2015. As per the terms, tenure of his appointment expired on May 14, 2020.

Accordingly, on the recommendation of Nomination & Remuneration Committee, the Board of Directors have, at their meeting held on May 14, 2020, re-appointed Dr. Lalit S. Kanodia as Chairman & Whole Time Director for a further period of five years, with effect from May 15, 2020, subject to approval of the Members by way of Special Resolution.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Dr. Lalit S. Kanodia has been received by the Company. Dr. Lalit S. Kanodia is not disqualified from being reappointed as a Chairman & Whole Time Director in terms of Section 164 and Section 196 of the Companies Act, 2013 and has also given his consent to act as Chairman & Whole-Time Director of the Company.

As per Section 196 of the Companies Act, 2013 no company shall appoint or continue the employment of any person as whole-time director who has attained the age of 70 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that Dr. Lalit S. Kanodia has already attained the age of 70 years, it is necessary to approve reappointment of his directorship on the Board of Directors of the Company by way of a special resolution.

Further in terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 issued on May 09, 2018 ('Amended Listing Regulations'), the remuneration payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the shareholders by Special Resolution, where the aggregate annual remuneration payable to such directors exceeds five per cent (5%) of the net profits of the Company. Considering the said limits the Board recommends Special Resolution for paying remuneration exceeding the prescribed limits in any year during the tenure of this appointment, for the approval of the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Rahul L. Kanodia, Mr. Sameer L. Kanodia and Mrs. Asha Kanodia are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations)

and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

#### **Brief Profile and Justification for re appointment of Dr. Lalit S. Kanodia [DIN: 00008050] as Chairman & Whole Time Director of the Company:**

Dr. Lalit S. Kanodia, the founder and Chairman of Datamatics Group of Companies is one of the pioneers in the Indian Software and Offshore Services Industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up of Tata Consultancy Services in 1967.

As Chief Mentor at Datamatics, Dr. Kanodia drives all innovation, new product development and quality initiatives. His inspirational leadership has led Datamatics to be conferred with various awards over the years, including the Most Innovative Software Product Award, the International Asia Pacific Quality Award and being ranked among the top 50 best managed outsourcing vendors by 'The Black Book of Outsourcing'.

Currently, he has been nominated as a member of the Advisory Council of the University of Mumbai (having about 800 colleges and over 250,000 students) by the Hon'ble Governor of Maharashtra. Dr. Kanodia has held eminent positions in prestigious organizations, industry associations, such as-

- a. President of Management Consultants of India (1979 – 1980)
- b. Executive Board Member of MIT, USA (2009 – 2016)
- c. National President of the Indo American Chamber of Commerce (2015 – 2016)
- d. President of IMC Chamber of Commerce and Industry (2017 – 2018)
- e. Executive Member of NASSCOM, the apex body of the IT-BPO industry in India;

Dr. Kanodia was also on the Board of Directors of several large conglomerates. He was the Honorary Consul General of Chile in Mumbai, India by the Government of Chile (2002 – 2014).

After obtaining degree in engineering from India's premier technology institute, IIT, Bombay, Dr. Kanodia completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA).

Dr. Lalit S. Kanodia holds 36,88,265 equity shares of the Company.

Considering the significant contribution made by Dr. Kanodia in the development and growth of the Company, the Nomination and Remuneration Committee has recommended and the Board has, subject to approval of members, approved re-appointment of Dr. Lalit S. Kanodia, as Chairman & Whole Time Director of the Company for a further period of five (5) years with effect from May 15, 2020 to May 14, 2025.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

#### Item No. 6

At the 27<sup>th</sup> Annual General Meeting of the Company Mr. Vinay Aggarwal was appointed as Independent Director for term of 5(five) years from August 28, 2015 upto August 27, 2020 pursuant to the provisions of Section 149 of the Act read with



the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee, on the basis of the report of performance evaluation of Independent Directors, has recommended and Board of Directors on basis of such recommendation have approved, subject to approval of members, re-appointment of Mr. Vinay Aggarwal as Independent Director for a second term of five (5) consecutive years with effect from August 27, 2020 to August 26, 2025.

The Company has also received declarations from Mr. Vinay Aggarwal that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

The Board is of the view that the continued association of Mr. Vinay Aggarwal would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Therefore, it is proposed to re-appoint Mr. Vinay Aggarwal as Independent Director of the Company, not liable to retire by rotation.

In the opinion of the Board, Mr. Vinay Aggarwal fulfil the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations.

Mr. Vinay Aggarwal does not hold any equity shares of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Vinay Aggarwal is not related to any Director of the Company.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

#### **Brief Profile of the Director seeking re-appointment - Mr. Vinay Aggarwal [DIN: 00030483]**

Mr. Vinay Aggarwal has an MBA in finance from North Eastern University, USA. After a stint with Unisys in Detroit, he became Vice President of Tata Unisys Ltd. (1981 – 89). Thereafter, he was appointed as CFO of TCS which position he occupied between 1990 and 2003. Mr. Vinay Aggarwal was the Chief Financial Officer at TCS for more than a decade, and also worked briefly as CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an independent consultant.

The Board recommends the Special Resolutions set out at Item No. 6 of the Notice for approval by the Members.

#### **Item No. 7**

Datamatics Global Technologies Limited, Mauritius (DGTL) is a wholly owned subsidiary of the Company. DGTL holds 62.51% stake in Cignex Datamatics Inc. ("Cignex US"), which is headquartered in USA. Therefore, Cignex US is a step down subsidiary of the Company.

Cignex US and DGTL are also considered to be "Material Subsidiaries" of the Company as per Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Cignex US, in turn, is a Holding Company of (i) Cignex Datamatics Technologies Limited, India; (ii) Cignex Datamatics Pte. Ltd, Singapore; (iii) Cignex Datamatics GmbH, Germany; (iv) Cignex Datamatics UK Ltd, UK. However, Cignex Datamatics GmbH, Germany and Cignex Datamatics UK Ltd, UK are under liquidation.

The Proposed Divestment will be effected through a stock redemption agreement, pursuant to which Cignex US will buy back the entire 62.51% stake held by DGTL in Cignex US for an aggregate price of USD 16,568,903, of which USD 7,973,778 will be paid upfront to DGTL and the balance will be paid within 3 (three) years.

As a result of the Proposed Divestment, Cignex US and its subsidiaries shall ultimately cease to be step-down subsidiaries of the Company.

The Management believes that the Proposed Divestment is beneficial to the Company and its stakeholders because this divestment will help us free management bandwidth and provide funds to focus on our digital products and solutions and future business areas.

The Board of Directors at their meeting held on 24th November, 2020 has evaluated the Proposed Divestment and after considering the advantages and merits thereof and in the interest of the Company and its stakeholders, it has unanimously resolved to accept the offer and consummate the Proposed Divestment, subject to the approval of the members of the Company.

Regulation 24 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, provides that a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary, without passing a special resolution in its General Meeting.

Further Regulation 24(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 provides that a listed entity shall not sell, dispose of or lease assets amounting to more than 20% of the assets of material subsidiary on aggregate basis during a financial year, without passing a special resolution in its General Meeting.

Considering that the consummation of the Proposed Divestment would result in the (i) disposal of Cignex US (being a material subsidiary) held through DGTL (being a material subsidiary) and consequent reduction of the entire "indirect" shareholding of the Company in Cignex US and its subsidiaries and also cessation of control; and (ii) disposal of entire investment of DGTL (being a material subsidiary) in Cignex US constituting more than 20% of its assets, approval of the members of the Company is required by way of a special resolution.

Provisions of Section 180(1)(a) of Companies Act, 2013, restricts a company from disposing off the whole or substantially the whole of its undertaking without obtaining prior approval of the members by way of a special resolution. In terms of explanation to Section 180(1)(a), 'undertaking' means an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.

The total income of Cignex US does not exceed 20% of the total consolidated income of the Company and it has also been held by the Hon'ble Bombay High Court that, the sale of shares of the subsidiary Company, howsoever controlling interest they may have, does not amount to, sale of an "undertaking". Therefore, based on the legal opinions received from the solicitors of the Company, the management of the Company is of the view that, the provisions of Section 180(1)(a) of the Act are not applicable. However, since Cignex US and its subsidiaries income is more than 20% of the total standalone income of the Company during the financial year ending March 31, 2020, it is thought as a matter of abundant caution to seek approval of the Shareholders in terms of Section 180(1)(a) of the Act as well.

Cignex US and DGTL belong to the Promoter Group of the Company, the management wishes to clarify that the proposed divestment is not regarded as a related party transaction either under the Companies Act, 2013 or under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In view of the aforesaid, your Directors recommend the said special resolution for your approval, as they sincerely believe the same to be in the interest of the Company and its shareholders. None of the Directors or Key Managerial Personnel of the Company are in any way concerned or interested, financially or otherwise in this resolution, except as members to the extent of their shareholdings in the Company.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE AGM PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2:**

Name of Director	Mr. Rahul L. Kanodia	Mrs. Asha L. Kanodia	Mrs. Mona Bhide	Dr. Lalit S. Kanodia	Mr. Vinay Aggarwal
DIN	00075801	00008061	005203026	00008050	00030483
Date of birth	November 25, 1966	November 16, 1943	April 17, 1963	March 30, 1941	August 20, 1952
Age	53 Years	76 Years	57 Years	79 Years	67 Years
Qualification	MBA from Columbia University, USA with a major in Business Strategy & Marketing and a minor in Mergers & Acquisition and Turnaround Management.	Graduate in Psychology from Massachusetts University, USA	LLB and LLM from Northwest University School of Law, Chicago.	PhD, MBA and Bachelors in Engineering from IIT Mumbai	MBA in Finance from North Eastern University, USA
Expertise in specific functional areas	He has over 30 years of professional experience and has expertise in the field of Business Strategies, Marketing, Finance, Merger and Amalgamations.	She has done her graduation in psychology from University of Mumbai. She studied Social Psychology at the Massachusetts Institute of Technology, USA. She is also an Interior Designer and has designed most of Datamatics Offices.	She is a Managing Partner at Dave & Girish & Co., law firm focusing on Corporate & Securities laws since 1992. She is presently in charge of International Corporate Law and structured finance. She has also advised on Joint ventures, mergers/acquisitions, Securities law (domestic and offshore issues) Project finance, Technology Transfer, Corporate restructuring, Securitisation, Derivatives, and intricate financial structures for Banks and Corporates. She is rated as "Highly Recommended Lawyer" by Global Counsel 3000 for Projects, Restructuring and Insolvency, Company & Corporate Transactions and Project Finance and is a Member of:- Bar Council of Maharashtra & Goa, Law Society, London, International Bar Association.	He has obtained degree in engineering from India's premier technology institute, IIT, Bombay, Dr. Kanodia completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA).  Dr. Lalit S. Kanodia, the founder and Chairman of Datamatics Group of Companies is one of the pioneers in the Indian Software and Offshore Services Industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up of Tata Consultancy Services in 1967.  With his inspirational leadership skill, Dr. Lalit Kanodia as Chief Mentor at Datamatics, drives all innovation, new product development and quality initiatives.  Dr. Kanodia has held eminent positions in prestigious organizations such as IMC chamber of commerce & industry and Indo American Chamber of Commerce (IACC), NASSCOM, the apex body of the IT-BPO industry in India, etc;  Dr. Kanodia has also been on the Board of Directors of several large conglomerates. He was also the Honorary Consul General of Chile in Mumbai, India by the Government of Chile (2002 – 2014).  Dr. Kanodia is currently on the Executive Board of MIT (Europe, Asia and Africa).	He is MBA in Finance from North Eastern University, USA. After a stint with Unisys in Detroit, he became the Vice President of Tata Unisys Ltd. (1981- 89). Thereafter he was appointed as CFO of TCS (1990- 2003). Mr. Vinay Aggarwal, was the Chief Financial Officer at TCS for more than a decade, and also worked briefly as CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an Independent Consultant.



Name of Director	Mr. Rahul L. Kanodia	Mrs. Asha L. Kanodia	Mrs. Mona Bhide	Dr. Lalit S. Kanodia	Mr. Vinay Aggarwal
Date of appointment / re-appointment	September 28, 2007	September 10, 2020	December 20, 2019	November 03, 1987	May 27, 2015
No. of Meetings of the Board attended during FY 2019-20	5 out of 5 meetings held	4 out of 5 meetings held	1 out of 5 meetings held	4 out of 5 meetings held	5 out of 5 meetings held
Directorship held in other companies (excluding foreign, private and Section 8 Companies and Datamatics Global Services Limited).	5 (five): Safari Industries (India) Limited Lumina Datamatics Limited Datamatics Digital Limited Cybercom Datamatics Information Solutions Limited Datamatics Robotics Software Limited	Nil	2(Two) GIC Housing Finance Limited Vinati Organics Limited	6 (Six): RPG Life Sciences Limited Lumina Datamatics Limited Cignex Datamatics Technologies Limited Datamatics Staffing Services Limited LD Publishing & e-Retail Limited Datamatics Robotics Software Limited	Nil
Membership in Committees (This includes the Chairmanships/ Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies, excluding Datamatics Global Services Limited.)	Nil	Nil	Stakeholders Relationship Committee GIC Housing Finance Limited Audit Committee Vinati Organics Limited	Nil	Nil
Shareholding in the Company	209 shares	3,305,258 shares	Nil	36,88,265 shares	Nil
Directorship in other listed entities	Safari Industries (India) Limited, Independent Director	NA	<ul style="list-style-type: none"> <li>Vinati Organics Limited; Non-Executive Independent Director</li> <li>GIC Housing Finance Limited; Non-Executive Independent Director</li> </ul>	RPG Life Sciences Limited, Independent Director	NA
Disclosure of relationships between directors inter-se	He is son of Dr. Lalit S. Kanodia & Mrs. Asha L. Kanodia and brother of Mr. Sameer L. Kanodia, Directors of the Company.	She is wife of Dr. Lalit S. Kanodia, Chairman Whole time Director of the Company and Mother of Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia Directors of the Company.	NA	He is husband of Mrs. Asha L. Kanodia and Father of Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia Directors of the Company.	NA

**By Order of the Board of Directors**  
**Divya Kumat**  
**EVP, Chief Legal Officer &**  
**Company Secretary**

**Place** : Mumbai  
**Date** : November 24, 2020

**Registered Office:**

Knowledge Centre, Plot No. 58, Street No. 17,  
MIDC, Andheri (E), Mumbai - 400 093.  
CIN: L72200MH1987PLC045205  
Tel: +91(22) 61020000/1/2 | Fax: +91(22)28343669  
Website: www.datamatics.com  
Email: investors@datamatics.com

# BOARD'S REPORT

On behalf of the Board of Directors, I am happy to present the 32<sup>nd</sup> Board's Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2020.

## FINANCIAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2020 as compared to the previous financial year ended March 31, 2019 is summarized below:

(₹ in Million)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Revenue from operations	12,033.24	11,334.90	4,158.35	3,896.72
Other Income	205.10	108.12	143.36	66.49
<b>Total Income</b>	<b>12,238.34</b>	<b>11,443.02</b>	<b>4,301.71</b>	<b>3,963.21</b>
Profit before Interest, Depreciation and Tax	1,440.83	1,447.19	572.53	547.17
Interest	46.26	47.71	24.35	34.50
Profit before Depreciation and Tax	1,394.57	1,399.66	548.18	512.67
Depreciation	369.97	260.35	129.15	120.32
Impairment of Goodwill	157.72	-	-	-
Share of profit of Joint Venture	12.03	8.98	-	-
<b>Profit Before Tax</b>	<b>878.91</b>	<b>1,147.51</b>	<b>419.03</b>	<b>392.35</b>
Provision for Taxation	260.64	302.76	111.63	99.99
<b>Profit After Tax</b>	<b>618.27</b>	<b>844.75</b>	<b>307.40</b>	<b>292.36</b>
Share of Minority Interest in Profit for the year	(20.37)	99.68	-	-
Profit for the year	638.64	745.07	307.40	292.36
Balance Brought Forward from Previous Year	3,992.59	3,290.81	1,989.55	1,721.80
Purchase / Sale of Non-controlling Interest	38.48	(18.72)	-	-
Dividend	(58.95)	(14.73)	(58.95)	(14.76)
Tax on Dividend	(9.92)	(9.84)	(9.92)	(9.85)
Ind AS 116 Adjustment	(55.01)	-	(3.44)	-
<b>Balance Carried Forward</b>	<b>4,525.46</b>	<b>3,992.59</b>	<b>2,224.64</b>	<b>1,989.55</b>

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

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

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

The Company is a global Technology, BPM and Digital Solutions organization providing intelligent solutions for data driven businesses to increase productivity and enhance the customer experience.

On a Consolidated basis, your Company achieved revenue from operations of ₹12,033.24 million, higher by 6.2% as compared to ₹11,334.90 million in the previous year.

The company recorded a non-recurring impairment charge of ₹157.72 million relating to the goodwill balance of Duo, a step down subsidiary, due to sale of company's business to a third party and subsequent sale of equity in the company. This was a non-core business for the company and the impairment charge was necessary given the sale of business and equity in step down subsidiary in April-2020.

The profit after tax for the current year was ₹618.27 million (₹775.99 million without considering goodwill impairment as stated above) as compared to ₹844.75 million in the previous year.

COVID also impacted our revenue and profit before taxes by ₹90 million and ₹80 million respectively.

The revenue from operations on a standalone basis is ₹4,158.35 million, higher by 6.7% as compared to ₹3,896.72 million in the previous year. The profit after tax for the current year was ₹307.40 million as against ₹292.36 million in the previous year.

## DIVIDEND

The recent outbreak of novel coronavirus ("COVID-19") has caused worldwide unprecedented disruptions to business operations. The pandemic has impacted the ability of companies across the globe to maintain steady operations and perform their respective contractual obligations. This in turn has led to the collapse of stock





markets around the world, leading to the collapse of stock markets in India. A combination of all these factors has led to a decline in the overall volume of global economic activity.

Considering the above facts, no dividend was recommended by the Board of Directors to the shareholders for the financial year 2019-20.

The Board thinks that it is prudent to conserve cash in preparations for COVID-19 contingencies as well as sustaining and growing the operations.

### TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation. However, credit balance of Profit and Loss of ₹ 2,224.64 million is transferred to Balance Sheet under the head 'Reserves and Surplus'.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 125 of the Companies Act, 2013 (**"the Act"**), unclaimed or unpaid Dividend relating to the financial year 2012-13 was due for transfer on November 28, 2020 to the IEPF established by the Central Government. More details are available on <http://www.datamatics.com/investors/unpaidunclaimed-dividend>.

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

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

### ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits during the Financial Year 2019-20 in terms of Chapter V of the Act.

### SUBSIDIARY COMPANIES

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2020:

1. Cybercom Datamatics Information Solutions Limited
2. Lumina Datamatics Limited
3. Datamatics Digital Limited
4. Datamatics Staffing Services Limited
5. CIGNEX Datamatics Technologies Limited
6. LDR eRetail Limited
7. Datamatics Robotics Software Limited
8. RJ Globus Solutions Private Limited\*
9. LD Publishing & eRetail Limited\*

\*Under process of striking off.

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2020:

1. Datamatics Global Services, Inc. (US)

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

<sup>@</sup> Merged with and into Datamatics Global Services, Inc. (US) w.e.f. April 1, 2020.

\* Liquidated w.e.f. June 13, 2019.

<sup>#</sup> Under process of liquidation.

<sup>\$</sup> Dissolved as on March 31, 2020.

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

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

### SHARE CAPITAL

As on March 31, 2020, the paid-up share capital of the company was ₹294.75 million divided into 58,949,337 equity shares of ₹ 5/- each fully paid up. During the year, there has been no change in the paid-up share capital of the company.

The authorized share capital of the company was ₹ 975.5 million as on March 31, 2020.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### Retirement by Rotation.

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



**Appointment of Mrs. Asha L. Kanodia as Non-Executive Director of the Company.**

During the year under review, Mrs. Asha L. Kanodia (DIN: 00008061) Non-Executive Director resigned from the office of director with effect from March 2, 2020.

However, considering her expertise and contribution to the company in the past, the Board of Directors, on recommendation of Nomination and Remuneration Committee has again appointed Mrs. Asha L. Kanodia (DIN: 00008061) as an Non-Executive Additional Director of the Company with effect from September 10, 2020 under Section 161 of the Companies Act, 2013. A resolution seeking shareholders' approval for her appointment forms a part of the Notice.

A brief profile along with necessary disclosures of Mrs. Asha L. Kanodia has been annexed to the Notice convening the ensuing AGM.

**Appointment of Mrs. Mona Bhide as Independent Director of the Company.**

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company through Resolution by Circulation dated December 20, 2019 has approved the appointment of Mrs. Mona Bhide (DIN: 05203026), as an Additional Director under section 161 and also as a Woman Independent Director of the Company, subject to approval of the Members, for a term of 5 (five) years with effect from December 20, 2019 to December 19, 2024.

The Company has received Notice under Section 160 of the Companies Act, 2013 from the Member(s) of the Company signifying the candidature of Mrs. Mona Bhide for her appointment as Non-Executive Woman Independent Director of the Company at the ensuing AGM, not liable to retire by rotation.

A brief profile along with necessary disclosures of Mrs. Mona Bhide has been annexed to the Notice convening the ensuing AGM.

**Re-appointment of Dr. Lalit S. Kanodia, Chairman & Whole Time Director**

The members of the Company had, at the 27th AGM of the Company held on August 28, 2015, re-appointed Dr. Lalit S. Kanodia as Chairman & Whole Time Director of the Company for a period of five years effective from May 15, 2015. As per the terms, tenure of his appointment expired on May 14, 2020.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 14, 2020, has re-appointed Dr. Lalit S. Kanodia as a Chairman & Whole Time Director of the Company for a further period of five years with effect from May 15, 2020, subject to the approval of the members.

A brief profile along with necessary disclosures of Dr. Lalit S. Kanodia has been annexed to the Notice convening the ensuing AGM.

**Re-appointment of Mr. Vinay Aggarwal as Independent Director of the Company.**

The members of the Company had, at the 27th Annual General Meeting held on August 28, 2015 appointed Mr. Vinay Aggarwal as Independent Directors of the Company for a period of five years with effect from August 28, 2015. According to his term, the tenure of Mr. Vinay Aggarwal as Independent Director expired on August 27, 2020.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 14, 2020, subject to the approval of shareholders at the ensuing AGM, re-appointed Mr. Vinay Aggarwal as Independent Director of the Company for a further period of five years with effect from August 27, 2020.

A brief profile along with necessary disclosures of Mr. Vinay Aggarwal has been annexed to the Notice convening the ensuing AGM.

**Cessation of Director**

Mr. Shahzaad S. Dalal's term as an Independent Director got completed on 22<sup>nd</sup> September, 2019.

The Board places on record its sincere appreciation for the invaluable contribution, advice and support rendered by Mr. Shahzaad S. Dalal during his tenure as Directors of the Company

**Declaration by Independent Directors.**

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

The Board of Directors of the Company is of the view that all the Independent Directors including those who are appointed/ re-appointed during the year under review fulfils the criteria of independence and they are independent from the management of the Company. All Independent Directors of the Company have confirmed that they have registered themselves with Independent Directors' Database of IICA and will appear for the online proficiency test of IICA, if applicable.

**MEETINGS OF THE BOARD**

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

**BOARD AND COMMITTEE EVALUATION**

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

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

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

**FUTURE GROWTH STRATEGY**

With COVID-19 pandemic, there is a high uncertainty around the global growth forecast. Though the IT and BPM industry is going to get impacted because of COVID-19, it is too early to forecast how the worldwide IT and BPM industry will fare in the next 12 months.



## DATAMATICS RESPONSE TO COVID-19

For Datamatics, the top priorities as an organization are:

1. Employee well-being
2. Focus on customers & retention
3. Manage cash flows & liquidity

Team Datamatics has done exceedingly well in managing on all the three fronts in the face of the current crisis. Also, with a diversified customer base across the industries, Datamatics believes that the company is better prepared to face the challenge:

1. **Employee well-being:** The employees are of foremost importance for Datamatics. Protecting the health and life of all Datamatics and their families occupies center stage. At a company level, Datamatics is implementing all the guidelines recommended by the Government to ensure the safety and well-being of employees and to reduce the spread of the pandemic in the society at large.
2. **Focus on customers:** Servicing and retaining all Datamatics customers is of paramount importance. The current crisis and lockdowns with short notices have put high pressure on Team Datamatics to deliver to its customers. Datamatics has enabled over 99% of employees to work-from-home in a matter of very few days.

With the onset of a global economic slowdown, many Datamatics customers will come under stress with their business shrinking. It will naturally cause their priorities to change towards scaling back, conserving cash, and exploring ways of becoming more efficient by leveraging digital technologies, and perhaps redesign their core business. As the customers adopt digital technologies to drive their businesses, it provides the company an excellent opportunity to partner with them in implementing digital transformation solutions that would enable them to remain competitive.

3. **Managing cash-flow:** This is a top priority for the company. The Datamatics Management team is keeping a keen eye on the cash flow, taking all the necessary efforts to actively conserve cash, and curtail all discretionary spends.

### COVID-19 Enterprise Support Program Powered By TruBot

To help enterprises navigate the business risk and mitigate their productivity losses, Datamatics has launched 'COVID-19 Enterprise Support Program'. Under this program, Datamatics is offering free use of three TruBots until 30<sup>th</sup> September 2020. With this program, the company aims to help the enterprises mitigate business risks and successfully manage their operations remotely by using Datamatics TruBot. The company has seen a good response to this program not only from the existing customers, but also from the other enterprises, which are using RPA for the first time.

### KEY BUSINESS DRIVERS FOR DATAMATICS IN FY 21

- **Products & Platforms:** Datamatics is investing in developing as well as updating its own IP solutions in the digital technology space. Datamatics products and platforms such as TruBot for Robotic Process Automation, TruCap+ for intelligent data capture, iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection, are getting good traction in the market.
- **Partner and reseller channels:** On the back of product strategy, Datamatics is aggressively investing in expanding its partner network and has over 100 partners across the

globe. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally. Notable inclusions in the channel ecosystem are TCS as global strategic partner and Ingram Micro, a global broad-based IT distributor, as preferred reseller in India.

- **Automated Fare Collection (AFC):** This has been a key focus area for Datamatics, with it being the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. Datamatics sees this as a huge opportunity in emerging economies around the world, including India. Datamatics is also actively pursuing US market and has recently won the automated fare collection contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.
- **Digital Solutions – RPA, Digital Experiences, Cloud:** Datamatics is well positioned to implement digital technologies, such as Intelligent Data Capture, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY20, Datamatics made significant efforts and investments in strengthening its digital footprint.
- **Account Penetration:** Datamatics has customers across industries; many of these are Fortune 500 companies. Datamatics is focusing on deeper penetration within the customer accounts through account management for cross-selling and up-selling through its integrated sales and marketing efforts.
- **Branding & Marketing:** Datamatics has been investing in marketing and branding efforts for increasing visibility, strengthening digital footprint and geographic reach.

### ROBOTICS PROCESS AUTOMATION (RPA)

This year, the company released TruBot 4, the latest version of TruBot RPA. It has over 25 new features making TruBot easier-to-use, more secure, and more intelligent to deliver automation benefits to the customers. Some of the key features in the latest version, such as universal recorder, integrated intelligent document capture, proactive health monitoring, dynamic bot station selector, etc., are unique to TruBot and give the product an edge over the competition.

The company continued to receive several rewards and recognitions for TruBot, including Gold Stevie Award 2019 by American Business Awards®. TruBot has also been recognized with Global FinTech Innovation Awards 2019 by IBS Intelligence.

Datamatics participated in major RPA events across the globe for enhancing the market visibility and to generate new leads. Datamatics experts have been invited as key speakers and panellists at these RPA events besides being present at the booths to exhibit the company's products and soliciting business requests.

The strong presence in the global events & seminars and continuous engagement has given a boost to the visibility of Datamatics solutions and the company has got a good coverage by reputed analyst firms including Gartner, Everest, NelsonHall, etc.

- TruCap+ featured in Everest Peak Matrix - Intelligent Document Processing (IDP) Technology Vendors 2020 as

**‘MAJOR CONTENDER’;**

- TruBot recognised by Gartner Peer Insights as ‘Voice of the Customer’: Robotic Process Automation Software, 2019;
- Datamatics acknowledged by Gartner in Critical Capabilities for Robotic Process Automation report;
- TruBot recognised by Quadrant Knowledge Solutions in SPARK Matrix: for Robotic Process Automation 2019;
- TruBot recognised by Gartner in Magic Quadrant for Robotic Process Automation Software;
- TruBot featured in the NelsonHall NEAT for Intelligent Automation Platforms 2019 as ‘HIGH ACHIEVER’;
- Datamatics featured in Everest Group PEAK Matrix Assessment, 2019: RPA – Technology Vendor Landscape as ‘STAR PERFORMER’;
- TruBot recognised by Juniper Research in Robotic Process Automation in Telecoms & Insurance, 2019.

Further, this year the Company has got good success in empanelling the partners for its RPA program and is getting good response from these channel partners. A separate dedicated team has been managing these partners. Datamatics has appointed over 100 such partners already across the globe. These will add to the sales engine besides direct sales.

**QUALITY**

Your Company holds Quality as one of its foremost guiding light for its way of working. Customer delight, continuous improvement and agile processes have been the objective of your Company for years and this has helped us to create and maintain a distinct edge over our competitors. The consistent high customer satisfaction ratings and effusive customer testimonials bear an eloquent testimony to this commitment for quality. Needless to say, quality at Datamatics has not only been a legacy but it has been strewn inseparably into its culture, tradition and character.

Your Company believes in the philosophy that quality encompasses and permeates every action and thought process. Quality at Datamatics goes beyond product and services, and forms an integral part of the Datamatics culture. Quality is the DNA of your Company. The industry has always been kind in recognizing the Company's performance, and this year too, Datamaticians and Datamatics featured prominently at various industry platforms by winning prestigious awards.

Your Company is the first and the only I.T. Company to have won the “International Asia Pacific Award” for Quality in services sector. The Award was won against competition from hundreds of companies from 38 countries spread across the world, including the US, Japan, Australia, New Zealand, Russia, Canada, China, Israel, South Korea, Peru and Mexico. Your Company also won the prestigious “IMC IT Award for Quality” in January 2014. We have won the Global Quality Challenge award of one of the fortune 100 organizations for the ninth time.

Further significant initiatives of the Company towards quality are:

**1) Certifications:**

The Company's quality management systems (QMS) that forms the backbone of all the processes and the way day-to-day operations are carried out is a very comprehensive and robust standard that draws from a host of international standards and benchmarks.

This includes ISO 9001:2015, SEI CMMI, ITIL, Agile, ISO 20000 and so on. The QMS has been successfully assessed and certified for ISO 9001:2015 and SEI CMMi Ver 1.3 high maturity level L4. During all the surveillance periodic assessment audits, there has been no major non-conformity observed. All the new centers that we added in the financial year have also been successfully assessed and certified to the above international standards.

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

Our commitment to ensure a robust information security management system for our customers has been bolstered by these certifications. We have implemented Security Information and Event Management (SIEM) solution as well which will further strengthen the Information security management. During the COVID 19 lockdown and remote working methodology, there has been a palpable increase in the threat to information and data security. Pre-empting such threats we are in the process of further securing our networks from any such unwanted attacks. There is a conscious thrust on risk management as an organization strategy and the risks and mitigation plans are reviewed regularly at all pertinent levels.

A lot of thrust has also been put in enhancing the overall project management skills of our project managers. As you would be aware, your company is a Registered Education Provider (REP) with Project Management Institute (PMI) for imparting Project Management Professional (PMP) trainings. This financial year, 17 project managers were certified as PMP. In the next financial year, the focus on enhancing these skills across the organization will continue.

**GDPR REGULATIONS AND DATA PRIVACY ACT**

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

We are also gearing our processes to address all the requirements of the Data Privacy Act of India.

**2) Customer Satisfaction Tracking:**

Your company conducts a customer satisfaction surveys at the end of every major milestone to assess customer's perception of our services. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the company.

We feel proud to share with you that we continue a stellar performance on this count. Your company scored 5.18 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that





79% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely satisfied and Delighted. 41 customers have rated us as delighted on all the parameters. We believe that in the modern environment Customer Experience i.e. the impression that our customers make during their interaction with us, is extremely critical. Customer Experience, apart from the feedback on the hard deliverables, is an integral part of these surveys. We are glad to share that the results are very positive on this front.

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

### 3) Continuous Improvement - Lean Six Sigma

The Company has a mature and well-entrenched continuous improvement program. This program is based on the principles of Lean, Six Sigma and Kaizen. The program focusses on making our processes more efficient, productive, accurate and cost effective. The program continues to deliver significant benefits to the organization with improvements in productivity, efficiency, accuracy and customer satisfaction. Overall 430 Lean Six Sigma projects and 1900 Kaizens were successfully completed since 2007.

The Company has about 25 Six Sigma Green Belt and 47 Six Sigma White Belt certified professionals along with 6 Six Sigma Black Belt and 1 Six Sigma Master Black Belt certified professionals. The Company spent over 2500 person hours of training around continuous improvement in the FY 2019-20.

## HUMAN RESOURCES MANAGEMENT

During the Financial Year under review, Human Resources function continued its global transformation initiatives, in a volatile and complex business environment, to cater to the evolving organizational requirements. HR continued its catalyst role and enabled the process of change over to focus on resource planning for mid and long term. The organization continued its efforts to foster and drive the younger generation towards future leadership. Towards the last quarter, very dynamically the nation came to a standstill due to Covid-19 crisis and HR had to support employees dynamically, as the future of work changed rapidly. The team handled swift transitioning to work from home for employees across the globe to ensure near-BAU status. HR played a crucial role and has been at the forefront since the pandemic outbreak to protect employees' & employer's interests equally, to help transition to a workforce which is socially distanced yet mentally connected.

### TALENT ACQUISITION

The Talent Acquisition Team ensured timely onboarding at the right cost & quality across diverse functions, skills and geographies. The team has been using innovative methods of hiring with an extensive focus towards mapping, networking & social media for niche & leadership hiring. The team has stayed ahead of the curve, with eminent industry practices relevant to resume sourcing, assessments, interviewing, background verification, negotiations and candidate engagement. Innovation has been the guiding principle towards relentless improvement, and the team has employed avant-garde strategies like brand-driven job posts, video interviewing, passive candidate engagement, research, social media usage, industry intelligence and effective referral programs. It has also been a continuous effort to establish Datamatics as an Employer of Choice, through powerful messaging around the key Employee Value Proposition.

## LEARNING & DEVELOPMENT

The Learning and Development team believes in enabling, enriching and co-creating a continuous learning and improvement culture. It progressively strives to build and cultivate employee's career progression. A wide variety of blended learning opportunities are provided through various media like training workshops, online modules, on the floor training, LMS platform, certifications and cross-functional projects globally.

## TALENT MANAGEMENT

At Datamatics, the Talent Management Strategy spreads across all the areas of talent capability. Datamatics is committed to attracting and employing passionate, skilled, and capable individuals who can thrive, through standardized and transparent competency-based people processes. The talent management team, in order to align the people practices with the business needs, has carried out initiatives like an online competency platform launched on e-Dialogue which outlined role-specific critical competencies along with the span of control, required for every role, 'Interviewing skills' workshops for all hiring managers/leaders across Mumbai and Nasik to enable them to conduct Competency Based Interviews, Technical / IT skills updation exercise for all software employees, creation of new and engaging Datamatics Website page for HR showcasing the Employee Value Proposition & best practices. After detailed study & analysis of leading B-schools in India, Datamatics partnered with NMIMS and KJ Somaiya for a sponsored part-time MBA program. The young & dynamic participants of Graduate Executive Program (GEP) take part in this program as they continue their journey with Datamatics.

## CORPORATE HR

Human resources oversee the most important component of a successful business – a productive, thriving workforce. The fundamental belief is people are assets, whose work is directly related to current and future business success. Datamatics Global Services Limited was declared the winner of 1st Prize by the District Skill Development, Employment and Entrepreneurship Guidance Centre, Nasik, Government of Maharashtra on 15th July 2019 (World Youth Skill Development Day).

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

- **Datamatics Diversity Charter (DDC):** DDC was launched on the occasion of International Women's Day as our pledge to encourage Diversity further. At Datamatics, the concept of Diversity is extended not only to gender but also Generation, Qualification, Culture, Experience, Ability, Thoughts, and Opinions. The Charter will bring in more focus on a) Equity in the Workplace, b) Affirmative Actions, and c) Inclusive work Environment, all based on merit. The efforts got recognized by UNGC formally, when we earned appreciation for being amongst Top 10 private organisations to promote diversity at work.
- **Welcome back:** post-maternity second innings', formally welcoming a female employee back into the workforce post her Maternity Leave, is the first new initiative as part of the Charter.
- **Climate Survey:** An organization wide Climate Survey was launched with a focus on a comprehensive understanding of areas like Company practices, Work engagement, Total rewards, Opportunities, People & Culture etc. The analysis is a result of collaborative expertise from various teams like AICS, TruBot, R&A and ISG.

- **Apprentice Program:** In an endeavour to promote apprenticeship in India Datamatics is encouraging the hiring of apprentices under National Apprenticeship Promotion Scheme (NAPS). Company is organizing NAPS training which consists of basic training and on-the-job-training (OJT)/ practical training at Workplace. The organization is also participating in the state-level apprenticeship program in Maharashtra, for the training of new job seekers. Employment Promotion Programme (EPP). It is a scheme to provide on-job training to Job Seekers for acquisition and up-gradation of skills. As of 31 March 2020, Company had trained 1348 apprentices across various locations.
- **Work From Home (WFH) Policy:** Datamatics recognizes that WFH or remote working is suitable for employees in terms of cutting commuting time, adjusting to urban lifestyle, reducing stress and improving work-life balance. WFH was introduced as a part of our commitment towards introducing Progressive HR policies for the benefit of the employees. This policy laid down the foundation, on which Covid-19 induced crisis could be tackled relatively smoothly.
- **Retirement Planning:** National Pension System (NPS) option was introduced last year, for employees to plan their retirement benefit. NPS is an important milestone in the development of a sustainable and efficient voluntary defined contribution pension system in India to provide old age security.

### US and Overseas HR Operations

US has been a very strategic and critical geography for us, contributing to significant chunk of the business. Throughout the year, Team HR in USA took robust strides to ensure that core Datamatics fabric remained consistent in the workforce.

With excellent execution of end-to-end employee lifecycle processes from hire to retire, they got recognized and got awarded with 'Stevie Award' in a prestigious ceremony last year.

Though different states within US had different regulatory guidelines, that were extremely dynamic in nature, the team handled the transition very well, of enabling employees to work from home and took care of keeping the employees connected to the organization. With all Overseas employees, HR business partners maintained close collaboration and responded promptly for all their needs.

### Philippines Human Resource Operations

After the strategic acquisition of RJ Globus, Philippines by Datamatics, significant efforts have been undertaken, to integrate the operations across entities. The entire Philippines HR team worked with utmost efficiency, as a well-oiled machinery to manage employee lifecycle operations and corporate HR functions.

While acquiring Talent, the team stayed ahead of the curve throughout the year. The Talent Acquisition team was able to pull off business demands of bulk hiring with almost 90% target achievement, for several campaigns with minimal fallouts. The right talent is hired for the organization, with rigorous evaluations and engaging on-boarding process. With Employee Engagement being a key focus area, the team managed to have a motivated employee base with an energetic new hire orientation program to quickly align the newcomers with the organization. Employee

communication forum led by HR eg HR Talk, HR Counselling and Focus Group Discussions, guided the employees to course-correct, by identifying their work problems, causes and solutions. The most awaited event of the year was the Annual Recognition Party, an event that had a fine balance of recognizing and rewarding exceptional performance, as well as in-house talent entertaining the audience throughout. Last year, RJ Globus joined Call Center Association of Philippines also known as CCAP, and now the team benefits from several activities including seminars and other gatherings. As a Socially Responsible Corporate, RJ Globus was always there to help those in need. From the victims of typhoons to the evacuees of Taal, the employees led the way in helping the crisis-hit regions, in their own small way. The annual outreach programs touched the lives of many in the society very positively.

### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company is actively involved in ensuring that the employees/resources are aware of the provisions of the POSH Act and rights thereunder.

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

The Company has also adopted Anti-Sexual Harassment Policy, in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and is fully committed to uphold and maintain the dignity of every woman executive working in the Company.

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

Number of complaints filed during the financial year: 0

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

### AWARDS & ACHIEVEMENTS

During the year, in recognition for its performance and initiatives, the Company (including Subsidiaries & Group Companies) and its employees received several awards and recognition, some of which are:

#### Datamatics Global Services Limited

- Datamatics recognised for being among the Top Companies in the Private sector at the United Nations Global Compact Network India (UN GCNI) Innovative Practices Award "Women at Work" – March 2020.
- American Business Awards® awarded Gold Stevie Award 2019 to TruBot.
- International Association of Outsourcing Professionals (IAOP) featured Datamatics in the 'IAOP global outsourcing 100 list 2020'.
- IBS Intelligence recognised TruBot with Global FinTech Innovation Awards 2019.



- MRSI Golden Key Award acknowledged Datamatics for 'Best business impact through analytics'.
- NASSCOM awarded Customer Service Excellence Award 2019 to Datamatics.
- Datamatics won Rail Analysis India Award 2020 for TruFare, its Automated Fare Collection (AFC) product.

#### Lumina Datamatics

- Acknowledged by the Indo-American Chamber of Commerce at 15<sup>th</sup> Indo-American Corporate Excellence Awards 2019 as Runners-up for the 'Excellence in Service Award'.
- World HRD Congress recognised Lumina Datamatics for 'Best Mature Workforce Practices' at the India Human Capital Summit & Awards 2019.
- Recognised by World HRD Congress as 'National Best Employer Brands 2019' at the 14<sup>th</sup> Employer Branding Awards.
- Acknowledged as 'Dream company to work for in ePublishing and eRetail' awards category at the 'Asia Pacific HRM Congress Awards 2019'.

#### Cignex Datamatics Technologies

- Acknowledged by Great Place to Work<sup>®</sup> Institute, India as 'Great Place to Work' for the 3<sup>rd</sup> consecutive year in a row in the category of 'Small & Mid-Sized Organizations' for the year 2019-20
- Rated among Top 10 Companies in India as 'Safe Places to Work' in a survey by Rainmaker.

### PARTICULARS OF EMPLOYEES

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

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

### DATAMATICS' INSIDER TRADING POLICY FOR REGULATION OF TRADING BY INSIDERS

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

The Insider Trading Policy for Regulation of Trading by Insiders is available on our website <https://www.datamatics.com/hubfs/Investors/Corporate%20Governance/Insider-Trading-Policy-1.pdf>

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### SECRETARIAL STANDARDS

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

#### Secretarial Auditor

The Company had appointed Mr. Tushar Shridharani, Practicing Company Secretary, to conduct the secretarial audit for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed as **"Annexure – B"** to this Report.

As per the requirements of the Listing Regulations, Mr. Tushar Shridharani, Practicing Company Secretary, have undertaken secretarial audit of Lumina Datamatics Limited, material subsidiary of the Company for the FY 2019-20. The Audit Report confirms that Lumina Datamatics Limited have complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

### INFORMATION ON AUDITORS' OBSERVATIONS

#### 1) Statutory Auditors:

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

#### 2) Secretarial Auditor:

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



## STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, M/s. M. L. Bhuwania and Co. LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting, subject to ratification by Shareholders at each AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018.

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

## MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

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

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

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

## CORPORATE GOVERNANCE

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

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange

Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report.

## COMPOSITION OF THE COMMITTEES OF THE BOARD

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

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

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

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

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

## POLICIES

The SEBI Listing Regulation mandated the formulation of certain policies for all Listed Companies. In compliance with the above requirement, all our policies are available on our website (<http://www.datamatics.com/investors/corporate-governance>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

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

Name of the Policy	Brief Description	Web Link
Whistleblower/Vigil Mechanism	The Company has formulated and adopted a Whistleblower Policy/Vigil Mechanism for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and ethics.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Corporate Social Responsibility (CSR) Policy	The Policy outlines the Company's strategy for bringing about a transformation in the quality of life of people in the society through social upliftment programs. The CSR vision of our Company is "Employability & Environment".	<a href="https://www.datamatics.com/about-us/corporate-social-responsibility-datamatics-global-services-limited">https://www.datamatics.com/about-us/corporate-social-responsibility-datamatics-global-services-limited</a>



Name of the Policy	Brief Description	Web Link
Policy on Material Subsidiaries	The Policy is framed to determine Material subsidiaries of the Company and to provide governance framework for such subsidiaries of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Related Party Transaction Policy	Related Party Transactions Policy is framed to ensure the proper approval and reporting of transactions between the Company and its related parties.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Insider Trading Policy	The Policy provides the framework in dealing with the securities of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Policy for determination of Materiality of Events	The Policy is framed to provide an overall governance framework for determination of materiality of events / information and to ensure timely and adequate disclosures of material events / information fully, fairly, correctly and transparently to the concerned authorities.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Document Retention and Archival Policy	The Policy is framed to outline the guidelines for retention and archival for corporate records / documents of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>

### INTERNAL FINANCIAL CONTROLS

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

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

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

### RISK MANAGEMENT POLICY

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

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

### CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the financial year 2019-20 are annexed as "Annexure - C" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

### SCHEME OF ARRANGEMENT

The Board of Directors at their meeting held on 13th November, 2019 had approved the Scheme of Amalgamation for the

merger by way of absorption of Datamatics Digital Limited ("the Transferor Company" or "DDL") with and into Datamatics Global Services Limited ("the Transferee Company" or "DGSL"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder. The rationale for the Scheme of Amalgamation was to integrate business carried on by both the companies, economies of scale due to synergies of operations, effective coordination and better control over the activities, rationalization and standardization of business processes, consolidation and simplification of DGSL group structure and reduction of administrative costs at DGSL group level etc. Since the entire issued, subscribed and paid-up share capital of DDL is directly or indirectly held by the Company, no shares are required to be issued by the Company to the shareholders of DDL.

In accordance with the directions issued by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its Order dated 20<sup>th</sup> February, 2020, meeting of equity shareholders and unsecured creditors of DDL and DGSL has been dispensed with. Further, meeting of secured creditors is dispensed in the light of consent affidavit dated 10<sup>th</sup> January, 2020 given by Secured Creditors of DGSL.

DGSL and DDL have complied with all the requisite filings as per directions of the National Company Law Tribunal, Mumbai Bench ('NCLT'). The petition filed by DGSL and DDL was admitted by the NCLT vide its order dated 31 July 2020 and the final hearing for the same will be scheduled shortly, during which the NCLT Bench Members pronounced that the disposal of petition is reserved for final order.

### SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

### ANNUAL RETURN

Extract of the Annual Return for the Financial Year ended on March 31, 2020 as required by Section 92(3) of the Act and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is annexed as "Annexure - D" to this Report and can be accessed at [www.datamatics.com](http://www.datamatics.com) under the 'Investor' Section.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

### A. CONSERVATION OF ENERGY:

- i) Our Company being in IT & ITeS industry, our operations are not energy intensive. Adequate measures have been taken to conserve energy.
- ii) The Company has not taken any steps for utilising alternate sources of energy.
- iii) There were no additional capital investment on energy consumption equipments and proposals if any, being implemented for reduction of consumption of energy as the nature of the Company's operations entails a very low level of energy consumption.

### B. TECHNOLOGY ABSORPTION:

- i) Every effort is made by the Company to update the technological skills of its technical staff in order to ensure that they possess adequate skills to enable them to service the Company's clients.
- ii) The Company has not imported any technology during the year under review.

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earned in terms of Actual Inflows : ₹ 2,469.83 million.

Foreign Exchange Outgo in terms of Actual Outflows : ₹ 212.55 million.

### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report and is annexed as "**Annexure – E**" to this Report.

### ACKNOWLEDGEMENTS

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

For and on behalf of the Board

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

Place : Mumbai  
Date : September 10, 2020



## Annexure - A

### TO THE BOARD'S REPORT

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

- (I) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2019-20:

Sr. No.	Particulars	Ratio to Median remuneration
<b>Executive Directors</b>		
1.	Dr. Lalit S. Kanodia	70.97
2.	Mr. Rahul L. Kanodia	78.64
<b>Non-Executive Directors</b>		
3.	Mr. Sameer L. Kanodia	-
4.	Mr. R. K. Saraswat	1.11
5.	Mr. Shahzaad S. Dalal*	-
6.	Mr. Dilip D. Dandekar	0.95
7.	Mrs. Asha L. Kanodia**	0.72
8.	Mr. Vinay M. Aggarwal	1.11
9.	Mrs. Mona Bhide	0.18

- (II) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial officer and Company Secretary in the financial year 2019- 20:

Sr. No.	Particulars	% Increase in remuneration in the FY
1.	Dr. Lalit S. Kanodia	23.98
2.	Mr. Rahul L. Kanodia	9.45
3.	Mr. Sameer L. Kanodia	-
4.	Mr. R. K. Saraswat	-52.22
5.	Mr. Shahzaad S. Dalal*	-100.00
6.	Mr. Dilip D. Dandekar	-43.94
7.	Mrs. Asha L. Kanodia* *	-64.56
8.	Mr. Vinay Agarwal	-52.22
9.	Mrs. Mona Bhide	NA
10.	Ms. Divya Kumart, Company Secretary	-5.82
11.	Mr. Sandeep Mantri, Chief Financial Officer	-1.86

\* Mr. Shahzaad S. Dalal, term as an Independent Director got completed on 22<sup>nd</sup> September, 2019.

\*\*Mrs. Asha L. Kanodia resigned with effect from 02<sup>nd</sup> March, 2020. However she was again appointed as Non Executive director w.e.f September 10, 2020 and her appointment is due for regularization at ensuing Annual General Meeting of the Company.

- (III) The percentage increase in the median remuneration of employees in the financial year: 14.35%

- (IV) The number of permanent employees on the rolls of Company: 5,545 Employees

- (V) The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 13% in India. The individual increments varied from 5% to 15%, based on individual performance. Employees outside India received wage increase varying from 1% to 3%. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

- (VI) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2020 (₹ in Million)	46.67
Revenue (₹ in Million)	4,158.35
Remuneration of KMPs (as % of Revenue)	1%
Profit before tax (PBT) ) (₹ in Million)	419.03
Remuneration of KMP (As % of PBT)	11%

- (VII) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2020	March 31, 2019	% Change
Market Capitalization (₹ in Million)	2,419.87	6,071.78	-60.1%
Price Earnings Ratio	3.79	8.22	-53.9%

- (VIII) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2020	IPO date (May 07, 2004)	% Change
Market Price (BSE)	40.75	110	-62.95%
Market Price (NSE)	41.05	110	-62.68%

- (IX) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 13%

Increase in the managerial remuneration for the year was 4%

## Annexure - A (Contd.)

### TO THE BOARD'S REPORT

(X) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Dr. Lalit S. Kanodia	Mr. Rahul L. Kanodia	Mr. Sandeep Mantri	Ms. Divya Kumari
Remuneration in FY 2020 (₹ in Million)	13.81	15.30	6.59	8.02
Revenue (₹ in Million)		4,158.35		
Remuneration as % of revenue	0.33%	0.37%	0.16%	0.19%
Profit before tax (PBT) (₹ in Million)		419.03		
Remuneration of KMP (As % of PBT)	3.29%	3.65%	1.57%	1.91%

(XI) The key parameters for any variable component of remuneration availed by the Directors:

The key parameters for the variable component of remuneration to the Directors are approved by the Board as per suggestions of the Nomination and Remuneration Committee.

- a) Commission to Chairman & Vice – Chairman:** The Commission payable to Dr. Lalit S. Kanodia and Mr. Rahul L. Kanodia is upto 1% of the net profits of the Company as computed in accordance with the provisions of the Companies Act, 2013.
- b) Commission to Non – Executive Directors:** The Members have, at the AGM of the Company held on August 13, 2019 approved the payment of commission upto the limit of 0.25% of its net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided

each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

(XII) There are no employees who receive remuneration in excess of the highest paid Director of the Company.

(XIII) Affirmation that the remuneration is as per the remuneration policy of the Company.

Pursuant to Rule 5 (1) (xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.





## Annexure - B

TO THE BOARD'S REPORT

### TUSHAR SHRIDHARANI

B. Com., LL.B., F.C.S.

Tel. : (022) 2208 5764 / 2208 5765  
Email : tushar@tusharshri.com  
Web. : www.tusharshri.com

10, New Marine Lines  
417, Jolly Bhavan No. 1  
Mumbai – 400 020

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members - Datamatics Global Services Limited  
Knowledge Centre  
Plot No. 58, Street No. 17, MIDC  
Andheri (East)  
Mumbai – 400 093

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Datamatics Global Services Limited ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.

I have also examined compliance with the applicable regulations of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period; the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable.

During the Audit Period; no law that specifically was applicable to the Company.

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit Period, all decisions at Board Meetings and Committee Meetings were carried out unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(Tushar Shridharani)

Place: Mumbai  
Date: June 1, 2020

Practicing Company Secretary  
FCS 2690 / COP 2190



## Annexure - C

TO THE BOARD'S REPORT

### CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

"Corporate Social Responsibility ("CSR") = Making a Difference"

Our social initiatives are an extension of our vision "To be a world-class organization admired for consistently delivering superior business value". In a world of radical socio-technological changes and critical environmental fluctuations, it is now imperative, more than ever, that we work towards addressing these areas of concern and contribute towards building a better tomorrow.

Over the years, the Company has developed a thoughtful approach and attempts to address critical areas of impact to society at large. 'Employability' and 'Holistic Child Care' are the key areas that Datamatics focuses on. Our objective is to have a structured approach, which will positively impact the population at large and drive long-term sustainable development in the society. Our corporate social responsibility (CSR) initiatives are carried out under a corporate body, ASHA, led by our senior leadership.

Much before CSR became a buzzword among Companies in India, Datamatics was already practicing it to make a difference and create a positive impact on the communities, cultures, societies, environment in which it operates.

Datamatics' has prepared CSR policy in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Policy of the Company, as approved by the Board of the Directors, is available on the Company's website at [http://www.datamatics.com/company/corporate-social-responsibility\\_](http://www.datamatics.com/company/corporate-social-responsibility_)

2. The Composition of the CSR Committee:

The composition of the CSR Committee as on March 31, 2020 is as follows:

Name of the Member	Nature of Directorship
Mr. Rahul L. Kanodia, Chairman	Vice Chairman & CEO
Mr. R. K. Saraswat	Non-Executive Independent Director
Mr. Sameer L. Kanodia	Non-Executive Director

3. **Average net profit of the company for last three financial years:** ₹ 368.86 million

4. **Prescribed CSR Expenditure (2% of this amount as mentioned in Sr. No. 3 above):** ₹ 7.38 million.

5. Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year: ₹2.91 million.
- (b) Amount unspent: ₹4.47 million.

(c) Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6		7	8
Sr. No	CSR project or activity identified	Sector in which The Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs		Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
					Direct expenditure	Overheads		
1.	Training to Students	Promoting education	Maharashtra	₹ 2.91 million	₹ 2.91 million	-	₹ 2.91 million	Direct
	TOTAL			₹ 2.91 million	₹ 2.91 million			

1. In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in it's report :-



## Annexure - C (Contd.)

### TO THE BOARD'S REPORT

Datamatics considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Over the years, the Company has continuously worked towards improving quality of life of the Society in its operational areas.

However, the global economic competition has induced the corporates to become cost conscious. During the year under review, the margins of the Company have been reduced on account of increase in various costs. The Company's growth is dependent on the Company's capability to use the Company's resources in a channelized manner. Also the global economic recession due to COVID – 19 pandemic has resulted into loss of business. Therefore, considering the financial condition and goals of the Company, the Board of Directors have thought it prudent to conserve the resources of the Company so that they can be deployed for various future growth initiatives and

expansion plans by targeting new customer segments and markets across different geographies.

#### 2. CSR Committee Responsibility Statement:

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

For and on behalf of the Board

**Rahul L. Kanodia**  
Chairman of CSR Committee

**R. K. Saraswat**  
Director

Place : Mumbai  
Date : September 10, 2020

# Annexure - D

TO THE BOARD'S REPORT

FORM NO. MGT - 9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies  
(Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

1	CIN	L72200MH1987PLC045205
2	Registration Date	November 3, 1987
3	Name of the Company	Datamatics Global Services Limited
4	Category/Sub-Category of the Company	Company having Share Capital /Indian Non-Government Company
5	Address of the Registered office and contact details	Knowledge Centre, Plot No.58, Street No.17, MIDC, Andheri (E), Mumbai 400093. Tel. No.: +91 (22) 6102 0000/1/2
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited) Plot No. A 16 & 17, MIDC, Part B, Cross Lane, Andheri (East), Mumbai – 400 093. Tel: 91-22-6671 2151 Fax: 91-22-6671 2250 Email: depositary@datamaticsbpm.com website: www.datamaticsbpm.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	IT & ITeS	6209	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S r. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2020	Applicable Section
1	<b>Delta Infosolutions Private Limited</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72300MH1992PTC064911	Holding	54.45	2(46)
2	<b>Cybercom Datamatics Information Solutions Limited</b> Unit no 105, First Floor, Multistoried Building, Seepz - Sez Andheri (E), Mumbai 400096.	U72900MH2000PLC123469	Subsidiary	50.50	2(87)
3	<b>Lumina Datamatics Limited</b> Unit No. 117-120, SDF-IV, SEEPZ-SEZ, Andheri (East), Mumbai - 400096	U22220MH2007PLC322853	Subsidiary	100.00	2(87)
4	<b>Datamatics Digital Limited*</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72200MH2005PLC309621	Subsidiary	100.00	2(87)



## Annexure - D (Contd.)

TO THE BOARD'S REPORT

S r . No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2020	Applicable Section
5	<b>CIGNEX Datamatics Technologies Limited</b> President Plaza, Opp. Muktidham Derasar, Thaltej Cross Road, Sarkhej Gandhinagar Highway Ahmedabad Gujarat - 380054	U72200GJ2006PLC048349	Subsidiary	62.51	2(87)
6	<b>LDR eRetail Limited</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai 400 093.	U74120MH2015PLC322053	Subsidiary	100.00	2(87)
7	<b>LD Publishing and eRetail Limited</b> 12th Floor, Phase II, Crest, International Tech Park, Taramani CSIR Road, Chennai - 600113.	U74900TN2015PLC102688	Subsidiary	100.00	2(87)
8	<b>Datamatics Staffing Services Limited</b> Eucharistic Congress Building No III 5 Convent Street Colaba Mumbai - 400039	U74140MH2003PLC140165	Subsidiary	51.00	2(87)
9	<b>Datamatics Robotics Software Limited</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U74999MH2018FLC307700	Subsidiary	100.00	2(87)
10	<b>RJ Globus Solutions Private Limited</b> 103, Balaji Residency, Mamletdarwadi Liberty Garden, Malad West, Mumbai- 400064	U74999MH2018FTC306956	Subsidiary	87.50	2(87)
11	<b>Datamatics Global Services, Inc.</b> Suite 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	100.00	2(87)
12	<b>Datamatics Infotech Limited</b> 1 Doughty Street, London WC1N2PH.	Not Applicable	Subsidiary	100.00	2(87)
13	<b>Techjini Inc**</b> Suite #390, 510 Thornall Street, Edison, NJ – 08837	Not Applicable	Subsidiary	100.00	2(87)
14	<b>Datamatics Global Technologies GmbH</b> Gerhart-Hauptmann-Strasse 20, 64347 Griesheim.	Not Applicable	Subsidiary	-	2(87)
15	<b>Datamatics Global Services PTY Limited</b> Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.	Not Applicable	Subsidiary	100.00	2(87)
16	<b>Datamatics Global Technologies Ltd</b> 3rd Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius.	Not Applicable	Subsidiary	100.00	2(87)
17	<b>Datamatics Global Technologies AG</b> MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.	Not Applicable	Subsidiary	100.00	2(87)
18	<b>Datamatics Global Services FZ-LLC</b> 3201, 32nd Floor, Al Shatha Tower, Dubai, United Arab Emirates.	Not Applicable	Subsidiary	100.00	2(87)

## Annexure - D (Contd.)

TO THE BOARD'S REPORT

S r. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2020	Applicable Section
19	<b>Datamatics Global Services Corporation.</b> Unit 1807, Cityland Condominium, 10, Tower, H.V Dela Costa ST. Corner, Ayala Ave, Makati City.	Not Applicable	Subsidiary	100.00	2(87)
20	<b>Datamatics Robotics Software Inc</b> Suite 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	100.00	2(87)
21	<b>Lumina Datamatics, Inc.</b> 600 Cordwainer Drive, Unit 103. Norwell MA 02061	Not Applicable	Subsidiary	100.00	2(87)
22	<b>RJ Globus, Inc</b> 1209, Orange Street, City of Wilmington, County of New Castle 19801	Not Applicable	Subsidiary	87.50	2(87)
23	<b>RJ Globus Solutions, Inc</b> 3rd Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Philippines.	Not Applicable	Subsidiary	87.50	2(87)
24	<b>Lumina Datamatics GmbH</b> Im Leuschnerpark 4, 64347 Griesheim.	Not Applicable	Subsidiary	100.00	2(87)
25	<b>Lumina Datamatics Assessment &amp; Analytics LLC</b> 600 Cordwainer Dr., Unit 103, Norwell, MA 02061	Not Applicable	Subsidiary	65.00	2(87)
26	<b>CIGNEX Datamatics Corporation</b> Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands	Not Applicable	Subsidiary	62.51	2(87)
27	<b>CIGNEX Datamatics, Inc.</b> 31572 Industrial RD, Suite 400, Livonia MI 48150.	Not Applicable	Subsidiary	62.51	2(87)
28	<b>Cignex Datamatics UK Limited</b> <sup>^</sup> 153 Milton Keynes Business Centre Foxhunter Drive Linford Wood Milton Keynes Buckinghamshire MK14 6GD.	Not Applicable	Subsidiary	-	2(87)
29	<b>CIGNEX Datamatics GmbH</b> Fuhrmannstrasse 8, 64289 Darmstadt, Germany.	Not Applicable	Subsidiary	62.51	2(87)
30	<b>CIGNEX Datamatics Pte. Limited</b> 4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	Not Applicable	Subsidiary	62.51	2(87)
31	<b>Duo Consulting Inc</b> 641 West Lake Street, Suite 301, Chicago IL 60601.	Not Applicable	Subsidiary	41.26	2(87)
32	<b>Datamatics Global Services BV</b> <sup>^^</sup> KEIZERSGRACHT 391 A, 1016 EJ, Amsterdam The Netherlands	Not Applicable	Subsidiary	100.00	2(87)

\*Acquired 18.90% shares on May 13, 2019

\*\*Merged with and into Datamatics Global Services, Inc. (US) w.e.f. April 1, 2020

\$ Liquidated w.e.f. June 13, 2019

^Dissolved as on March 31, 2020

^^Acquired on August 29, 2019



## Annexure - D (Contd.)

TO THE BOARD'S REPORT

### IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

#### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1) Indian									
a) Individual/HUF	11,484,689	0	11,484,689	19.48	11,622,078	0	11,622,078	19.72	0.23
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	31,813,742	0	31,813,742	53.97	32,098,742	0	32,098,742	54.45	0.48
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	43,298,431	0	43,298,431	73.45	43,720,820	0	43,720,820	74.17	0.72
2) Foreign									
a) NRIs- Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
F) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Promoter Shareholding (A) = (A) (1)+(A)(2)	43,298,431	0	43,298,431	73.45	43,720,820	0	43,720,820	74.17	0.72
B. PUBLIC SHAREHOLDING									
1. Institutions									
(i) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Banks / FI	79,622	0	79,622	0.14	56,315	0	56,315	0.10	-0.04
(iii) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(iv) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(v) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(vi) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(vii) FIs	0	0	0	0.00	0	0	0	0.00	0.00
(viii) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ix) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(x) Others-Foreign Portfolio Investor	142,100	0	142,100	0.24	140,700	0	140,700	0.24	-0.00
Sub-total (B)(1)	221,722	0	221,722	0.38	197,015	0	197,015	0.33	-0.04
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	2,101,682	500	2,102,182	3.57	1,462,339	500	1,462,839	2.48	-1.08
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals	0	0	0	0.00	0	0	0	0.00	0.00
Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh	7,715,131	92,357	7,807,488	13.24	7,548,677	79688	7,628,365	12.94	-0.30
Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	4,828,595	0	4,828,595	8.19	5,271,943	0	5,271,943	8.94	0.75



## Annexure - D (Contd.)

TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others, specify</b>									
NRIs (Rep. & Non-Rep.)	626,640	0	626,640	1.06	590,830	0	590,830	1.00	0.27
IEPF	46,279	0	46,279	0.08	59,525	0	59,525	0.10	0.02
Foreign National	18,000	0	18,000	0.03	18,000	0	18,000	0.03	0.00
<b>Sub-total (B)(2)</b>	<b>15,336,327</b>	<b>92,857</b>	<b>15,429,184</b>	<b>26.17</b>	<b>14,951,314</b>	<b>80,188</b>	<b>15,031,502</b>	<b>25.50</b>	<b>-0.34</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>15,558,049</b>	<b>92,857</b>	<b>15,650,906</b>	<b>26.55</b>	<b>15,148,329</b>	<b>80,188</b>	<b>15,228,517</b>	<b>25.83</b>	<b>-0.38</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>58,856,480</b>	<b>92,857</b>	<b>58,949,337</b>	<b>100.00</b>	<b>58,869,149</b>	<b>80,188</b>	<b>58,949,337</b>	<b>100.00</b>	<b>0.00</b>

### ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (As on March 31, 2020)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	
1	Delta Infosolutions Pvt. Ltd.	31,813,742	53.97	0.00	32,098,742	54.45	0.00	0.48
2	Dr. Lalit S. Kanodia*	3,477,995	5.90	0.00	3,615,384	6.13	0.00	0.23
3	Mrs. Asha L. Kanodia	3,305,258	5.61	0.00	3,305,258	5.61	0.00	0.00
4	Mr. Rahul L. Kanodia	209	0.00	0.00	209	-	0.00	0.00
5	Mr. Sameer L. Kanodia	1,472,858	2.50	0.00	1,472,858	2.50	0.00	0.00
6	Mrs. Priyadarshini R. Kanodia	1,473,852	2.50	0.00	1,473,852	2.50	0.00	0.00
7	Mrs. Aneesha A. Dalmia	1,352,874	2.29	0.00	1,352,874	2.30	0.00	0.00
8	Mrs. Amrita V. Bhogilal	319,143	0.54	0.00	319,143	0.54	0.00	0.00
9	Mr. Yogendra S. Kanodia	6,500	0.01	0.00	6,500	0.01	0.00	0.00
10	Yogendra Kanodia HUF	1,700	0.00	0.00	1,700	0.00	0.00	0.00
11	Smt. Chandravati S. Kanodia	36	0.00	0.00	36	0.00	0.00	0.00
12	Dr. Lalit S. Kanodia HUF -2	74,264	0.13	0.00	74,264	0.13	0.00	0.00
<b>Total</b>		<b>43,298,431</b>	<b>73.45</b>	<b>0.00</b>	<b>43,720,820</b>	<b>74.16</b>	<b>0.00</b>	<b>0.71</b>

\* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2020. However, Dr. Lalit S. Kanodia (Promoter) had purchased 38,033 & 34,848 shares of the Company on March 30, 2020 and March 31, 2020 respectively totalling to 72,881 shares (0.13%) which has not been captured in the BENPOS data.



## Annexure - D (Contd.)

TO THE BOARD'S REPORT

### iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoters	Date	Shareholding at the beginning of the year (As on April 1, 2019)		Cumulative Shareholding during the year (As on March 31, 2020)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Delta Infosolutions Pvt. Ltd.</b>					
	At the beginning of the year	1-Apr-19	31,813,742	53.97	31,813,742	53.97
	Increase/decrease in Shareholding	14-Feb-19	241,017	0.41	32,054,759	54.38
	Increase/decrease in Shareholding	21-Feb-19	43,983	0.08	32,098,742	54.45
	At the end of the year	31-Mar-20			32,098,742	54.45
2	<b>Dr. Lalit S. Kanodia *</b>					
	At the beginning of the year	1-Apr-19	3,477,995	5.90	3,477,995	5.90
	Increase/decrease in Shareholding	27-Mar-20	32,994	0.06	3,510,989	5.96
	Increase/decrease in Shareholding	31-Mar-20	104,395	0.16	3,615,384	6.13
	At the end of the year	31-Mar-20			3,615,384	6.13
3	<b>Mrs. Asha L. Kanodia</b>					
	At the beginning of the year	1-Apr-19	3,305,258	5.61	3,305,258	5.61
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			3,305,258	5.61
4	<b>Mr. Rahul L. Kanodia</b>					
	At the beginning of the year	1-Apr-19	209	0.00	209	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			209	0.00
5	<b>Mr. Sameer L. Kanodia</b>					
	At the beginning of the year	1-Apr-19	1,472,858	2.50	1,472,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			1,472,858	2.50
6	<b>Mrs. Priyadarshini R. Kanodia</b>					
	At the beginning of the year	1-Apr-19	1,473,852	2.50	1,473,852	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			1,473,852	2.50
7	<b>Mrs. Aneesha A. Dalmia</b>					
	At the beginning of the year	1-Apr-19	1,352,874	2.30	1,352,874	2.30
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			1,352,874	2.30
8	<b>Mrs. Amrita V. Bhogilal</b>					
	At the beginning of the year	1-Apr-19	319,143	0.54	319,143	0.54
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			319,143	0.54
9	<b>Mr. Yogendra S. Kanodia</b>					
	At the beginning of the year	1-Apr-19	6,500	0.01	6,500	0.01
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			6,500	0.01
10	<b>Yogendra Kanodia HUF</b>					
	At the beginning of the year	1-Apr-19	1,700	0.00	1,700	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			1,700	0.00
11	<b>Smt. Chandravati S. Kanodia</b>					
	At the beginning of the year	1-Apr-19	36	0.00	36	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			36	0.00
12	<b>Dr. Lalit S. Kanodia HUF - 2</b>					
	At the beginning of the year	1-Apr-19	74,264	0.13	74,264	0.13
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			74,264	0.13

\* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2020. However, Dr. Lalit S. Kanodia (Promoter) had purchased 38,033 & 34,848 shares of the Company on March 30, 2020 and March 31, 2020 respectively totalling to 72,881 shares (0.13%) which has not been captured in the BENPOS data.

## Annexure - D (Contd.)

TO THE BOARD'S REPORT

### iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Mr. Shaunak Jagdish Shah</b>					
	At the beginning of the year	1-Apr-19	999,149	1.695	999,149	1.695
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			999,149	1.695
2	<b>Mr. Jagdish Amritlal Shah</b>					
	At the beginning of the year	1-Apr-19	748,395	1.27	748,395	1.27
	Increase/decrease in Shareholding	26-Jul-19	14,173	0.02	762,568	1.29
	Increase/decrease in Shareholding	2-Aug-19	1,314	0.00	763,882	1.30
	Increase/decrease in Shareholding	6-Aug-19	3,635	0.01	767,517	1.30
	Increase/decrease in Shareholding	30-Aug-19	5,775	0.01	773,292	1.31
	Increase/decrease in Shareholding	28-Feb-20	597	0.00	773,889	1.31
	Increase/decrease in Shareholding	6-Mar-20	8,403	0.01	782,292	1.33
	Increase/decrease in Shareholding	13-Mar-20	11,057	0.02	793,349	1.35
	Increase/decrease in Shareholding	20-Mar-20	6,651	0.01	800,000	1.36
	At the end of the year	31-Mar-20			800,000	1.36
3	<b>Jamson Securities Pvt Ltd</b>					
	At the beginning of the year	1-Apr-19	580,660	0.99	580,660	0.99
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			580,660	0.985
4	<b>Mr. Chetan Jayantilal Shah</b>					
	At the beginning of the year	1-Apr-19	550,000	0.93	550,000	0.93
	Increase/Decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			550,000	0.93
5	<b>Ms. Jagruti Shaunak Shah</b>					
	At the beginning of the year	1-Apr-19	488,098	0.83	488,098	0.83
	Increase/decrease in Shareholding	30-Aug-19	7,099	0.01	495,197	0.84
	Increase/decrease in Shareholding	7-Feb-20	4,803	0.01	500,000	0.85
6	<b>Mr. Kamlesh B Shah</b>					
	At the beginning of the year	1-Apr-19	600	0.001	600	0.001
	Increase/Decrease in Shareholding	9-Aug-19	324000	0.550	324600	0.551
	Increase/Decrease in Shareholding	13-Sep-19	-51000	-0.087	273600	0.464
7	<b>Mr. Arun Nahar</b>					
	At the beginning of the year	1-Apr-19	130,343	0.221	130,343	0.221
	Increase/Decrease in Shareholding	17-May-19	85,000	0.144	215,343	0.365
	Increase/Decrease in Shareholding	13-Dec-19	16,953	0.029	232,296	0.394
8	<b>Mr. B N Nagamani</b>					
	At the beginning of the year	1-Apr-19	200,000	0.339	200,000	0.339
	Increase/Decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20	0	0.000	200,000	0.339



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TO THE BOARD'S REPORT

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	<b>Mr. Nagendra G. Uddagiri</b>					
	At the beginning of the Year	1-Apr-19	156,700	0.266	156700	0.266
	Increase/Decrease in Shareholding	5-Apr-19	(500)	(0.001)	156,200	0.265
	Increase/Decrease in Shareholding	12-Apr-19	500	0.001	156,700	0.266
	Increase/Decrease in Shareholding	10-May-19	(700)	(0.001)	156,000	0.265
	Increase/Decrease in Shareholding	14-Jun-19	1,909	0.003	157,909	0.268
	Increase/Decrease in Shareholding	21/6/2019	5,591	0.009	163,500	0.277
	Increase/Decrease in Shareholding	28-Jun-19	2,500	0.004	166,000	0.282
	Increase/Decrease in Shareholding	23-Aug-19	1,000	0.002	167,000	0.283
	Increase/Decrease in Shareholding	30-Aug-19	(1,000)	(0.002)	166,000	0.282
	Increase/Decrease in Shareholding	6-Sep-19	1,000	0.002	167,000	0.283
	Increase/Decrease in Shareholding	20-Sep-19	1,000	0.002	168,000	0.285
	Increase/Decrease in Shareholding	11-Oct-19	300	0.001	168,300	0.285
	Increase/Decrease in Shareholding	8-Nov-19	1,200	0.002	169,500	0.288
	Increase/Decrease in Shareholding	15-Nov-19	500	0.001	170,000	0.288
	Increase/Decrease in Shareholding	7-Feb-20	(5,000)	(0.008)	165,000	0.280
	Increase/Decrease in Shareholding	14-Feb-20	3,015	0.005	168,015	0.285
	Increase/Decrease in Shareholding	21-Feb-20	2,485	0.004	170,500	0.289
	Increase/Decrease in Shareholding	20-Mar-20	1,000	0.002	171,500	0.291
	At the end of the year	31-Mar-20			171,500	0.291
10	<b>Edelweiss Custodial Services Limited</b>					
	At the beginning of the Year	1-Apr-19	44002	0.075	44002	0.075
	Increase/Decrease in Shareholding	05-APR-19	-452	-0.001	43550	0.074
	Increase/Decrease in Shareholding	12-APR-19	622	0.001	44172	0.075
	Increase/Decrease in Shareholding	19-APR-19	-211	0	43961	0.075
	Increase/Decrease in Shareholding	26-APR-19	406	0.001	44367	0.075
	Increase/Decrease in Shareholding	03-MAY-19	-6882	-0.012	37485	0.064
	Increase/Decrease in Shareholding	10-MAY-19	-750	-0.001	36735	0.062
	Increase/Decrease in Shareholding	17-MAY-19	929	0.002	37664	0.064
	Increase/Decrease in Shareholding	24-MAY-19	-820	-0.001	36844	0.063
	Increase/Decrease in Shareholding	31-MAY-19	970	0.002	37814	0.064
	Increase/Decrease in Shareholding	07-JUN-19	-835	-0.001	36979	0.063
	Increase/Decrease in Shareholding	14-JUN-19	4843	0.008	41822	0.071
	Increase/Decrease in Shareholding	21-JUN-19	-1665	-0.003	40157	0.068
	Increase/Decrease in Shareholding	28-JUN-19	1896	0.003	42053	0.071
	Increase/Decrease in Shareholding	05-JUL-19	-178	0	41875	0.071
	Increase/Decrease in Shareholding	12-JUL-19	-706	-0.001	41169	0.070
	Increase/Decrease in Shareholding	19-JUL-19	2303	0.004	43472	0.074
	Increase/Decrease in Shareholding	26-JUL-19	126643	0.215	170115	0.289
	Increase/Decrease in Shareholding	02-AUG-19	-13916	-0.024	156199	0.265
	Increase/Decrease in Shareholding	06-AUG-19	31	0	156230	0.265
	Increase/Decrease in Shareholding	07-AUG-19	23	0	156253	0.265
	Increase/Decrease in Shareholding	09-AUG-19	-28	0	156225	0.265
	Increase/Decrease in Shareholding	16-AUG-19	4981	0.008	161206	0.273
	Increase/Decrease in Shareholding	23-AUG-19	335	0.001	161541	0.274
	Increase/Decrease in Shareholding	30-AUG-19	1461	0.002	163002	0.277
	Increase/Decrease in Shareholding	06-SEP-19	-692	-0.001	162310	0.275
	Increase/Decrease in Shareholding	13-SEP-19	3746	0.006	166056	0.282
	Increase/Decrease in Shareholding	20-SEP-19	-696	-0.001	165360	0.281
	Increase/Decrease in Shareholding	27-SEP-19	1124	0.002	166484	0.282
	Increase/Decrease in Shareholding	04-OCT-19	-3700	-0.006	162784	0.276
	Increase/Decrease in Shareholding	11-OCT-19	141	0	162925	0.276
	Increase/Decrease in Shareholding	18-OCT-19	-707	-0.001	162218	0.275

## Annexure - D (Contd.)

TO THE BOARD'S REPORT

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Increase/Decrease in Shareholding	25-OCT-19	-2227	-0.004	159991	0.271
	Increase/Decrease in Shareholding	01-NOV-19	-470	-0.001	159521	0.271
	Increase/Decrease in Shareholding	08-NOV-19	89	0	159610	0.271
	Increase/Decrease in Shareholding	15-NOV-19	41	0	159651	0.271
	Increase/Decrease in Shareholding	22-NOV-19	7	0	159658	0.271
	Increase/Decrease in Shareholding	29-NOV-19	-998	-0.002	158660	0.269
	Increase/Decrease in Shareholding	06-DEC-19	27	0	158687	0.269
	Increase/Decrease in Shareholding	13-DEC-19	-186	0	158501	0.269
	Increase/Decrease in Shareholding	20-DEC-19	3	0	158504	0.269
	Increase/Decrease in Shareholding	27-DEC-19	8	0	158512	0.269
	Increase/Decrease in Shareholding	03-JAN-20	-2000	-0.003	156512	0.266
	Increase/Decrease in Shareholding	10-JAN-20	-97	0	156415	0.265
	Increase/Decrease in Shareholding	17-JAN-20	875	0.001	157290	0.267
	Increase/Decrease in Shareholding	24-JAN-20	31	0	157321	0.267
	Increase/Decrease in Shareholding	31-JAN-20	25	0	157346	0.267
	Increase/Decrease in Shareholding	07-FEB-20	1386	0.002	158732	0.269
	Increase/Decrease in Shareholding	14-FEB-20	3000	0.005	161732	0.274
	Increase/Decrease in Shareholding	21-FEB-20	-50	0	161682	0.274
	Increase/Decrease in Shareholding	28-FEB-20	1000	0.002	162682	0.276
	Increase/Decrease in Shareholding	06-MAR-20	-3250	-0.006	159432	0.270
	Increase/Decrease in Shareholding	13-MAR-20	25000	0.042	184432	0.313
	Increase/Decrease in Shareholding	27-MAR-20	-11200	-0.019	173232	0.294
	Increase/Decrease in Shareholding	31-MAR-20	-17178	-0.029	156054	0.265
	At the end of the year	31-Mar-20	0	0	156054	0.265

### v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Date	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Dr. Lalit S. Kanodia</b>					
	At the beginning of the year	1-Apr-19	3,477,995	5.90	3,477,995	5.90
	Increase/decrease in Shareholding	27-Mar-20	32,994	0.06	3,510,989	5.96
	Increase/decrease in Shareholding	31-Mar-20	104,395	0.16	3,615,384	6.13
	At the end of the year	31-Mar-20			3,615,384	6.13
2	<b>Mr. Rahul L. Kanodia</b>					
	At the beginning of the year	1-Apr-19	209	0.00	209	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			209	0.00
3	<b>Mr. Sameer L. Kanodia</b>					
	At the beginning of the year	1-Apr-19	1,472,858	2.50	1,472,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			1,472,858	2.50
4	<b>Mrs. Mona Bhide</b>					
	At the beginning of the year	1-Apr-19	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			0	0.00
5	<b>Mr. R. K. Saraswat</b>					
	At the beginning of the year	1-Apr-19	1,000	0.00	1,000	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			1,000	0.00
6	<b>Mr. Dilip D. Dandekar</b>					
	At the beginning of the year	1-Apr-19	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			0	0.00



## Annexure - D (Contd.)

TO THE BOARD'S REPORT

Sr. No.	Particulars	Date	Shareholding at the beginning of the year (As on April 01, 2019)		Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
7	<b>Mr. Vinay M. Aggarwal</b>					
	At the beginning of the year	1-Apr-19	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			0	0.00
8	<b>Ms. Divya Kumat</b>					
	At the beginning of the year	1-Apr-19	200	0.00	200	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			200	0.00
9	<b>Mr. Sandeep Mantri</b>					
	At the beginning of the year	1-Apr-19	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-20			0	0.00

### V. Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	(₹ in million)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. As on April 1, 2019</b>				
i) Principal Amount	262.50	0.00	0.00	262.50
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i+ii+iii)</b>	<b>262.50</b>	<b>0.00</b>	<b>0.00</b>	<b>262.50</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	400.00	0.00	0.00	400.00
Reduction (Repayment)	175.00	0.00	0.00	175.00
<b>Net Change (ii)</b>	<b>225.00</b>	<b>0.00</b>	<b>0.00</b>	<b>225.00</b>
<b>Indebtedness at the end of the financial year i.e. March 31, 2020</b>				
i) Principal Amount	487.50	0.00	0.00	487.50
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.69	0.00	0.00	0.69

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTDs/Manager		(₹ in million)
		Dr. Lalit S. Kanodia, Chairman & Whole Time Director	Mr. Rahul L. Kanodia, Vice Chairman & CEO	Total Amount
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	10.0	11.5	21.5
b)	Value of perquisites under section 17(2) Income-tax Act, 1961			
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission	3.8	3.8	7.6
	● As % of profit			
5	Others, specify	-	-	-
<b>Total (A)</b>		<b>13.8</b>	<b>15.3</b>	<b>29.1</b>
Ceiling as per the Act (10% of Profits calculated under Section 198 of the Companies Act, 2013)		41.91		



**B. Remuneration to other directors:**

Sr. No.	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Total Amount
<b>1</b>	<b>Independent Directors</b>			
	Mr. R. K. Saraswat	0.22	0.19	0.41
	Mr. Dilip Dandekar	0.19	0.16	0.35
	Mr. Vinay Aggarwal	0.22	0.19	0.41
	Mr. Shahzaad Dalal	-	0.19	0.19
	Mrs. Mona Bhide	0.04	-	0.04
<b>Total (1)</b>		<b>0.67</b>	<b>0.74</b>	<b>1.40</b>
<b>2</b>	<b>Other Non-Executive Directors</b>			
	Mrs. Asha L. Kanodia	0.14	0.18	0.32
	<b>Total (2)</b>	<b>0.14</b>	<b>0.18</b>	<b>0.32</b>
<b>Total Managerial Remuneration</b>		<b>0.81</b>	<b>0.92</b>	<b>1.73</b>
Ceiling as per the Act (1% of Profits calculated under Section 198 of the Companies Act, 2013)			4.19	

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No.	Particulars of Remuneration	Ms. Divya Kumari, Company Secretary (KMP)	Mr. Sandeep Mantri Chief Financial Officer (KMP)	Total
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	7.99	6.56	14.55
	b) Value of perquisites under section 17(2) Income-tax Act, 1961.	0.03	0.03	0.06
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission as % of profit	-	-	-
5	Others - Contribution to Provident Fund, Allowance etc.	-	-	-
<b>Total</b>		<b>8.02</b>	<b>6.59</b>	<b>14.61</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (Give details)
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**A. COMPANY**

Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2020.				
Punishment					
Compounding					

**B. DIRECTORS**

Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2020.				
Punishment					
Compounding					

**C. OTHER OFFICERS IN DEFAULT**

Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2020.				
Punishment					
Compounding					



## Annexure - E

TO THE BOARD'S REPORT

# Business Responsibility Report

The Directors present the Business Responsibility ("BR") Report of the Company for the financial year ended 31<sup>st</sup> March, 2020, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### ❖ SECTION A - GENERAL INFORMATION ABOUT THE COMPANY:

No.	Disclosures	Information / Reference sections
1.	Corporate Identity Number (CIN) of the Company	L72200MH1987PLC045205
2.	Name of the Company	Datamatics Global Services Limited
3.	Registered address	Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai - 400093, Maharashtra, India.
4.	Website	www.datamatics.com
5.	E-mail id	investors@datamatics.com
6.	Financial Year reported	April 1, 2019 to March 31, 2020
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<b>NIC Code:</b> 6209 <b>Product Description:</b> Information Technology (IT) & Information Technology enabled Services (ITeS)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Refer Page no. 2 – 5 of this Report
9.	Total number of locations where business activity is undertaken by the Company	Company has undertaken business activities in four (4) international locations namely USA, Europe, Philippines and UAE. Company has carried out business in five (5) national locations namely Mumbai, Bangalore, Chennai, Puducherry and Nashik

### ❖ SECTION B - FINANCIAL DETAILS OF THE COMPANY:

No.	Disclosures	Information / Reference Sections
1.	Paid up Capital	INR 29,47,46,685/- consisting of 5,89,49,337 equity shares of INR 5/- each.
2.	Total Turnover	INR 4,158,348,983
3.	Total profit after taxes	INR 307,403,160
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	NIL
5.	List of activities in which expenditure in 4 above has been incurred	Refer Annexure C of the Board's Report in this Annual Report.

### ❖ SECTION C - OTHER DETAILS:

**1. Does the Company have any Subsidiary Company/ Companies?**

The Company has subsidiary companies in India, the USA, the UK, Germany, The Netherlands, Philippines, Singapore, Mauritius, Dubai, Switzerland, Australia and British Virgin Islands.

**2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

No.

**3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].**

Yes. Less than 30%.

### ❖ SECTION D - BR INFORMATION:

**1. Details of Director/Directors responsible for BR:**

**(a) Details of the Director/Directors responsible for implementation of the BR policy/policies.**

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

DIN	Name	Designation
00075801	Rahul L Kanodia	Chairman
00015095	Radhakrishna K Saraswat	Member
00008232	Sameer L Kanodia	Member

**(b) Details of the BR head:**

Name	Rahul L. Kanodia
Designation	Vice Chairman & CEO
DIN	00075801
Telephone number	+91 22 61020217
Email ID	Rahul.kanodia@datamatics.com

**2. Principle wise (as per National Voluntary Guidelines) BR Policy/policies:**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility. These briefly are as follows:

Reference	Principles	Description
P1	Principle 1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Principle 3	Businesses should promote the wellbeing of all employees
P4	Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Principle 5	Businesses should respect and promote human rights
P6	Principle 6	Business should respect, protect, and make efforts to restore the environment
P7	Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Principle 8	Businesses should support inclusive growth and equitable development
P9	Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for each of the Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the BR policies are formulated on the basis of national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG).								
4	Has the policy being approved by the Board? if yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the CSR Committee of the Board of Directors is responsible for implementation of BR policies								
6	Indicate the link for the policy to be viewed online?	Link to all policies: <a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to internal and external stakeholders. They are available online for all stakeholders to refer in the above mentioned links.								

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievance or feedback related to the policies can be sent to <b>investors@datamatics.com</b> CSR committee of the Board of Directors is responsible for addressing stakeholder concerns related to BR policies.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**2a. If answer to S. No. 1 against any principle, is 'No', please explain why:**

Not Applicable ("NA")

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

**3. Governance related to BR:**

- (a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Company is publishing its 1<sup>st</sup> BR Report for the current reporting period. The Board of Directors of the Company will annually review the BR related performance.

- (b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The BR Report of the Company is part of the Annual Report for the F.Y. 2019-20 and the same is available on:

**<https://www.datamatics.com/about-us/investor-relations/financials>**

❖ **SECTION E - PRINCIPLE WISE PERFORMANCE:**

<b>P1 – Business should conduct and govern themselves with ethics, transparency and accountability</b>		
<b>Principle No</b>	<b>Description</b>	<b>Response</b>
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	No  Yes  The Company has an enduring legacy of conducting business with the highest standards of ethics. The Company has adopted Anti Bribery and Anti-Corruption policy with the objectives of enhancing the standards of ethical code of conduct for the highest degree of transparency, integrity, accountability and corporate social responsibility. The Whistle Blower policy of the Company provides a mechanism for the employees of the Company and other persons dealing with the Company to report to the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of any of the Company's Policies.
1.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?  If so, provide the details thereof.	The Company has not received any complaints from the stakeholders in the financial year in relation to code of conduct, business ethics, transparency and accountability.
<b>P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</b>		
2.1	List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	The Company is a technology company that builds intelligent solutions for data-driven enterprises. The Company's portfolio spans across Information Technology Solutions, Business Process Management (BPM) and Engineering Services, powered by Artificial Intelligence. The Company has also established products in Robotic Process Automation, Advanced Analytics, Business Intelligence, and Automated Fare Collection. All the above services and solutions are fundamentally premised on improving resource efficiency and reducing environmental footprint.
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional)	As detailed in point 2.1 above, all the business services of the Company significantly helps to improve the process efficiency and business outcomes for the customers of the Company. All these solutions directly or indirectly also improve the environmental impacts for the Company's customers. However due to nature of the Company's services, it is difficult to quantify.
2.3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably and provide details thereof.	No. The Company is in the process of taking steps to enhance the sustainable sourcing.



2.4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company has not taken any steps to specifically procure goods and services from local and small producers, including communities surrounding the work place. However, the Company engages with both local and global suppliers. Purchases are driven by open and transparent non-discriminatory procurement process. The Company has enrolled multiple suppliers with preference to local vendors in several areas such as office catering, local transportation, subcontracted resources, etc.
2.5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.	<p>Yes, the Company has a mechanism to recycle products and waste. The Company has taken few initiatives as below:</p> <p>(1) <b>E-waste (10%):</b></p> <p>(a) The Company recycles few desktops by making it functional (assisted by IT) and then send it for CSR purposes.</p> <p>(b) The Company disposes the balance desktops through scrap for further recycling by the dealers.</p> <p>(2) <b>Disposable Stationery (5%):</b></p> <p>(a) When there is change in Logos/name/colour and various changes on good quality paper, the Company cuts the same into sizes and re-use it.</p> <p>(b) One side (non-confidential) papers, are cut &amp; re-used for making small booklets.</p> <p>(3) <b>Project waste (20%):</b></p> <p>(a) Hardware waste (wooden furniture, ply partitions, glass and paint, etc.) are reused in terms of modifications/remodelling/conversions, etc. for new plans.</p> <p>(b) Sort &amp; Store - The waste as per the category, with proper packing and reusing by remodelling/resizing or as per requirements.</p>

### P3 – Businesses should promote the wellbeing of all employees.

3.1	Please indicate the total number of employees.	5545
3.2	Please indicate the total number of employees hired on a temporary / contractual / casual basis.	1130
3.3	Please indicate the number of permanent women employees.	1403
3.4	Please indicate the number of permanent employees with disabilities	10
3.5	Do you have an employee association that is recognized by the Management?	No
3.6	What percentage of your permanent employees are members of this recognized employee association?	0%
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year.	Nil
3.8	What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year? • Permanent employees • Permanent women employees • Casual / temporary / contractual employees • Employees with disabilities.	<ul style="list-style-type: none"> <li>Permanent employees: Safety- 1.2% and skill up-gradation -74%</li> <li>Permanent women employees : skill up-gradation -30%</li> <li>Casual / temporary / contractual employees: skill up-gradation -53%</li> <li>Employees with disabilities: 100%</li> </ul>



**P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

4.1	Has the Company mapped its internal and external stakeholders?	<p>The Company has a systematic process of identifying all the key internal and external stakeholders impacted by our operations. Below is the list of our key stakeholders;</p> <ol style="list-style-type: none"> <li>Management</li> <li>Shareholders</li> <li>Employees</li> <li>Suppliers</li> <li>Vendors</li> <li>NGO's</li> <li>Government authorities</li> <li>Local communities</li> </ol>
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	<p>The Company has identified children as disadvantaged, vulnerable &amp; marginalised stakeholders.</p> <p>The Company has further identified physically challenged individuals and rural women as disadvantaged, vulnerable &amp; marginalised stakeholders.</p>
4.3	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof.	<p>The Company identifies the needs of the communities spread around its area of operations and decides on the CSR programs. Currently, the Company is focusing on education programmes and details of its CSR spending in promoting education is detailed in Annexure C of Director's Report in this Annual Report.</p> <p>Further, the Company has tied up with various institutions to train and provide employment opportunities for physically challenged individuals and rural women.</p> <p>Besides this, the Company has a special "Knowledge Associate" initiative that opens up opportunities for individuals, who would otherwise be deprived of gainful employment opportunities.</p> <p>The Knowledge Associate program provides employment opportunity to:</p> <ul style="list-style-type: none"> <li>- Women who are unable to attend regular jobs due to family priorities but still need to supplement the family income.</li> <li>- Individuals with physical disabilities, who are unable to commute for regular employment, can however deliver good quality work if allowed to work from home.</li> <li>- Individuals in remote rural areas who do not have good employment opportunities in their towns and villages and are hence, forced by circumstances to migrate in large numbers to the cities.</li> </ul> <p>Company's Knowledge Associate program allows such individuals to work from their own homes. This program has also created employment opportunities for wives of mine workers in some of India's remote mining locations, who would otherwise have no employment opportunities.</p>

**P5. Businesses should respect and promote human rights.**

5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policy is applicable to the Company, all its subsidiaries and vendors.
5.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?	The Company has not received any complaints from the stakeholder for human rights violation in the financial year 2019-20.



P6. Business should respect, protect, and make efforts to restore the environment.		
6.1	Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policy is applicable to the Company and all its subsidiaries. The Company expects its suppliers, partners and contractors to be compliant with applicable laws and regulations including environmental laws and regulations.
6.2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give the hyperlink for the web page, etc.	Please refer point 2.2
6.3	Does the Company identify and assess potential environmental risks?	Yes
6.4	Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof. Also, if yes, has any environmental compliance report been filed?	Not Applicable
6.5	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	Yes. Link for webpage: <a href="https://datamatics.com/hubfs/Investors/Corporate%20Governance/Green-Initiative.pdf">Datamatics.com/hubfs/Investors/Corporate %20Governance/Green- Initiative.pdf</a> . The Company has also installed LED lights which has significantly led to savings in energy.
6.6	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes the emissions and waste generates by the Company are within the permissible limits.
6.7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on the end of the financial year.	NIL
P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.		
7.1	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	The Company is member of Indo American Chamber of Commerce (IACC) and The National Association of Software and Service Companies (Nasscom).
7.2	Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	No, the Company has not advocated / lobbied through the above associations for the advancement or improvement of public good.
P8 – Businesses should support inclusive growth and equitable development.		
8.1	Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof.	Refer Annexure C of Director's Report in this Annual Report. The Company has been supporting & encouraging the National Apprenticeship Promotion Scheme (NAPS) and Employment Promotion Program (EPP) aimed at skill development and promoting youth employment with local economic opportunities. During the FY 2019-20, the Company hired & trained 1348 trainees under both the programs. Also refer point 4.3 in respect of "Knowledge Associate" initiative by the Company that opens up opportunities for individuals, who would otherwise be deprived of gainful employment opportunities.

8.2	Are the programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization?	The programs / projects as referred to in 8.1 are carried out directly by the Company.
8.3	Have you done any impact assessment of your initiative?	Yes
8.4	What is your Company's direct contribution to community development projects – amount in and the details of the projects undertaken?	Refer Annexure C of Director's Report in this Annual Report
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. The National Apprenticeship Promotion Scheme (NAPS) and Employment Promotion Program (EPP) aimed at skill development and promoting youth employment are continuously monitored for improvements.

**P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner**

9.1	What percentage of client complaints / consumer cases are pending as on the end of the financial year?	There are no client complaints cases pending as on the end of the financial year.
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information)	NA
9.3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year? If so, provide the details thereof.	No
9.4	Did your Company carry out any consumer survey / measure consumer satisfaction trends?	<p>Yes.</p> <p>The company conducts a customer satisfaction surveys at the end of every major milestone to assess customer's perception of our services. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the Company.</p> <p>The Company feels proud to share that the Company continues a stellar performance on this count. The Company has scored 5.18 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that 79% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely satisfied and delighted. 41 customers have rated us as delighted on all the parameters. The Company believes that in the modern environment Customer Experience i.e. the impression that customers make during their interaction with the Company, is extremely critical. Customer Experience, apart from the feedback on the hard deliverables, is an integral part of these surveys. The Company is glad to share that the results are very positive on this front.</p> <p>Apart from this, the more frequent and real time Customer Feedback Capture mechanism that captures feedback through other formal and informal channels also reports an improving trend in the customer sentiment towards the Company's processes and performance.</p>



# Management Discussion and Analysis

## Introduction

In the wake of COVID-19 crisis, Datamatics priorities include focusing on employee well-being, servicing and retaining customers and tightly managing cash-flows. Team Datamatics has done exceedingly well in managing on all the three fronts in the face of the current crisis. Also, with a diversified customer base across industries, Datamatics believes that the company is better prepared to face the challenge.

As enterprises adopt digital technologies to drive their businesses, Datamatics is well positioned to implement Digital Technologies, including Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence for them. It provides the company an excellent opportunity to partner with customers in implementing digital transformation solutions that would ensure business continuity and enable them to remain competitive.

## A. Economic Environment

As per World Economic Outlook, April 2020, as a result of the pandemic, the global economy is projected to contract sharply by -3% in 2020. There is high uncertainty around the global growth forecast. In a baseline scenario—which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8% in 2021. The risks of even more severe outcomes, however, are substantial.

As per the report, the key forecasts for markets are as follows:

- The forecast for the United States is expected to decline from 2.3% in 2019 to -5.9% in 2020 and recover to 4.7% in 2021.
- The forecast for Euro is set to decline sharply from 1.2% in 2019 to -7.5% in 2020 and recover to 4.7% in 2021. Many economies, notably Italy, Spain, France, and Germany are getting impacted severely because of the pandemic.
- Substantial uncertainty exists around the baseline projection of decline of -6.5% in the United Kingdom in 2020-21 because of prolonged uncertainty about the Brexit outcome as well as COVID-19 pandemic.
- Growth in emerging and developing Asian countries will dip from 5.5% in 2019 to 1% in 2020 and improve to 6.6% in 2021.
- India's economy is poised to slow down because of the pandemic and the forecast for India is expected to decline from 4.2% in 2019 to 1.9% in 2020 and increase to 7.4% in 2021.

Source: World Economic Outlook Update, April 2020

## Industry Review

A high uncertainty exists around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the speed of COVID-19 transmission, the intensity and efficacy of containment efforts, the shifts in spending patterns, the extent of supply disruptions and the repercussions of the tightening in global financial market conditions. Though

IT and BPM industry is going to get severely impacted because of COVID-19, it is too early to forecast how the worldwide IT and BPM industry will fare in the next 12 months. However, to address the challenges posed by the pandemic to the enterprises, Datamatics is witnessing that the digital technologies, such as Robotic Process Automation, Digital Business Automation, and Cloud Services are performing better. IT and BPM companies will have to work towards achieving savings for their client through innovative methods and approaches.

## B. Business review

Datamatics is a technology company that builds intelligent solutions for data-driven enterprises to improve their productivity and customer experience.

Datamatics has strong footprint in the digital space providing new age solutions in Cloud, Mobility, Robotics, Digital Process Automation and Artificial Intelligence. Datamatics also has a strong product portfolio in Robotic Process Automation (TruBot), Intelligent Data Capture (TruCap+), Business Intelligence & Advance Analytics (TruBI), Artificial Intelligence (TruAI) and Automated Fare Collection (TruFare).

Datamatics provide digital solutions across Banking & Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing; servicing over 200 significant customers globally.

The Company has presence across four continents with major delivery centres in the USA, India, and Philippines.

## Highlights 2019-20

During the year, Datamatics received several awards and recognitions:

### Key Analyst Recognition:

- TruCap+ featured in Everest Peak Matrix – Intelligent Document Processing (IDP) Technology Vendors 2020 as 'MAJOR CONTENDER';
- Datamatics recognised in Everest Group PEAK Matrix™ for Finance and Accounting (F&A) Digital Capability Platform (DCP) Solutions Assessment 2020 as 'STAR PERFORMER';
- TruBot recognised by Gartner Peer Insights as 'Voice of the Customer': Robotic Process Automation Software, 2019;
- Datamatics acknowledged by Gartner in Critical Capabilities for Robotic Process Automation report;
- TruBot recognised by Quadrant Knowledge Solutions in SPARK Matrix: for Robotic Process Automation 2019;
- TruBot recognised by Gartner in Magic Quadrant for Robotic Process Automation Software;
- TruBot featured in the Nelson Hall NEAT for Intelligent Automation Platforms 2019 as 'HIGH ACHIEVER';
- Datamatics featured in Everest Group PEAK Matrix Assessment, 2019: RPA – Technology Vendor Landscape as 'STAR PERFORMER';

- TruBot recognised by Juniper Research in Robotic Process Automation in Telecoms & Insurance, 2019;

#### Key Awards

- American Business Awards® awarded Gold Stevie Award 2019 to TruBot;
- International Association of Outsourcing Professionals (IAOP) featured Datamatics in the 'IAOP global outsourcing 100 list 2020';
- IBS Intelligence recognised TruBot with Global FinTech Innovation Awards 2019;
- MRSI Golden Key Award acknowledged Datamatics for 'Best business impact through analytics';
- NASSCOM awarded Customer Service Excellence Award 2019 to Datamatics;
- Datamatics won Rail Analysis India Award 2020 for TruFare, its Automated Fare Collection (AFC) product;

#### C. Business drivers

**Products & Platforms:** Datamatics is investing in developing as well as updating its own IP solutions in the digital technology space. Datamatics products and platforms such as TruBot for Robotic Process Automation, TruCap+ for intelligent data capture, iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection, are getting good traction in the market.

**Partner and reseller channels:** On the back of product strategy, Datamatics is aggressively investing in expanding its partner network and has over 100 partners across the globe. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally. Notable inclusions in the channel ecosystem are TCS as global strategic partner and Ingram Micro, a global broad-based IT distributor, as preferred reseller in India.

**Automated Fare Collection (AFC):** This has been a key focus area for Datamatics, with it being the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. Datamatics sees this as a huge opportunity in emerging economies around the world, including India. Datamatics is also actively pursuing US market and has recently won the Automated Fare Collection contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

**Digital Solutions – RPA, Digital Experiences, Cloud:** Datamatics is well positioned to implement digital technologies, such as Intelligent Data Capture, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY20, Datamatics made significant efforts and investments in strengthening its digital footprint.

**Account Penetration:** Datamatics has customers across industries; many of these are Fortune 500 companies. Datamatics is focusing on deeper penetration within the customer accounts through account management for cross-selling and up-selling through its integrated sales and marketing efforts.

**Branding & Marketing:** Datamatics has been investing in marketing and branding efforts for increasing visibility, strengthening digital footprint and geographic reach.

#### D. Business performance

Datamatics consolidated revenue rose to ₹ 12,033 million, up by 6.16%, in constant currency grew by 5.5% against FY19 but profit after tax reduced by 14%. Of the total revenue, IT solutions - include application management services, digital solutions such as Robotic Process Automation, Digital Experiences, Cloud solutions, analytics as well as Automated Fare Collection - constitute 59%. On the other hand, Business Process Management constitute 41% of total revenues. The revenues from IT solutions grew by 9% and Business Process Management grew by 3% year-on-year.

#### E. Financial performance

##### I. Financial Condition

##### SOURCES OF FUNDS

The below mentioned financial condition gives an overview of the consolidated financial strength of the Group.

##### a. Share Capital

The Group's authorized capital is divided into two class of shares, 104 Million equity share of ₹5 each and ₹45.55 Million redeemable preference shares of ₹10 each.

The paid-up capital of the Group remains same as on 31 March 2020 vis-à-vis that of previous year, i.e. ₹294.75 Million divided into 58,949,337 equity shares of ₹5 each fully paid up.

##### b. Other Equity

(₹ in Million)

Particulars	March 31, 2020	March 31, 2019
Securities Premium	1,080.08	1,080.08
Retained Earnings	4,525.46	3,992.59
Capital Redemption Reserve	494.28	494.28
Capital Reserve	(62.07)	(62.07)
General Reserve	585.88	585.88
Employee Stock Option Outstanding	10.71	21.43
Cash Flow Hedging Reserve	(52.13)	82.68
Foreign Currency Translation Reserve	130.32	(71.42)
FVOCI –Equity Instruments	(3.38)	4.27
Actuarial Gains & Losses OCI	(60.88)	(22.91)
<b>Total</b>	<b>6,648.27</b>	<b>6,104.81</b>

Reserves and surplus increased by ₹543.44 Million mainly on account of profit for the year of ₹618.27 Million, along with increase in foreign currency translation and cash flow reserve by ₹66.94 Million. The increase is offset by payment of dividend of ₹68.87 Million and one time impact of Ind AS 116 of ₹55.01 Million.

##### Total Equity

The total equity increased to ₹7,163.17 Million as on March 31, 2020 from ₹6,793.23 Million as on March 31, 2019, an increase of ₹369.94 Million.

The book value per share increased to ₹121.51 as on March 31, 2020 compared to ₹115.24 on March 31, 2019.





## APPLICATION OF FUNDS

### c. Property, Plant and equipment, Intangible assets and capital WIP

Addition to Gross Block

(₹ in Million)

Particulars	March 31, 2020
Leasehold improvements	41.72
Machinery and equipment	37.01
Computers	41.47
Furniture and fixtures	13.16
Vehicles	7.52
Buildings	8.74
Software	67.50
Other Assets	0.75
<b>Total</b>	<b>217.87</b>

Capital commitments

The Group has capital commitment of ₹4.96 Million as on March 31, 2020 as compared to ₹5.93 Million as on March 31, 2019.

### d. Deferred tax assets / liabilities

(₹ in Million)

Particulars	March 31, 2020	March 31, 2019
Deferred tax assets, net	70.15	24.91

Deferred tax liabilities primarily comprise deferred taxes on property plant and equipment, employee benefits and provision for doubtful debts, advances and investments.

### h. Loans and advances, other assets

The details of long-term and short-term loans and advances and other assets are as follows:

(In ₹ Million)

Particulars	Current		Non-current	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Loan to employees and Others	10.97	3.65	1.30	0.29
Security deposits	12.06	8.01	135.44	102.78
Fair value of outstanding forward contracts	27.00	72.24	2.72	53.76
Fair value of outstanding corporate guarantee	-	-	-	8.92
Capital advances	-	-	0.14	5.93
Prepaid expenses	150.09	139.23	3.95	0.78
Balance with government authorities	111.35	92.70	0.05	0.05
Other assets	7.00	-	0.42	0.39
Interest accrued	2.84	0.06	-	-
Advances to related parties and vendors	88.36	64.24	-	-
Unbilled revenue	722.70	614.71	-	-
<b>Total</b>	<b>1,132.37</b>	<b>994.84</b>	<b>144.02</b>	<b>172.90</b>

### e. Trade Receivables

The trade receivables amounted to ₹2,724.51 Million (net of provision for doubtful debts amounting to ₹205.32 Million) as on March 31, 2020, compared to ₹2,461.37 Million (net of provision for doubtful debts amounting to ₹276.00 Million) on March 31, 2019. These debts are considered good and realizable. Debtors represented Days Sales Outstanding of 83 days, compared to 79 days in the previous year.

### f. Current and non-current Investments

Current Investment represents surplus funds of the Company parked with mutual fund schemes that can be recalled at very short notice. Non-current investments represent investments in bonds and equity shares.

Current investment decreased to ₹254.95 Million as on March 31, 2020 from ₹454.50 Million on March 31, 2019. Non-current investments decreased to ₹108.14 Million as on March 31, 2020 from ₹113.91 Million on March 31, 2019.

### g. Cash and cash equivalents

The bank balances in India include both rupee accounts and foreign currency accounts. The bank balances in overseas accounts are maintained to meet expenditure of overseas operations.

Cash and bank balance in current account stands at ₹1,948.17 Million as on March 31, 2020 as compared to ₹696.18 Million on March 31, 2019. Net cash from operations in FY 2019-20 is ₹834.81 Million vis-a-vis ₹896.07 Million in FY 2018-19. Net cash used in investing activities in FY 2019-20 is ₹96.50 Million vis-a-vis ₹647.76 Million in FY 2018-19. Net cash from financing activities in FY 2019-20 is ₹514.01 Million vis-a-vis used in ₹369.97 Million in FY 2018-19.



Non-current loans and advances and other non-current assets decreased to ₹144.02 Million as on March 31, 2020 compared to ₹172.90 Million on March 31, 2019. Decrease is on account of Fair value of outstanding forward contracts by ₹51.04 Million, Fair value of outstanding corporate guarantee of ₹8.92 Million and Capital advances of ₹5.79 Million, offset by increase in prepaid expenses by ₹3.17 Million, security deposit of ₹32.66 Million and loan to employees and others by ₹1.01 Million.

Current loans and advances and other current assets were ₹1,132.37 Million as on March 31, 2020 compared to ₹994.84 Million on March 31, 2019. Current loans and advances include loan to employees. Other current assets include increase in Security deposits worth ₹4.05 Million, increase in unbilled revenue for ₹107.99 Million, Advance to related parties and vendors worth ₹24.12 Million, Balance with government authorities ₹18.65 Million, Prepaid Expenses worth ₹10.86 Million offset by decrease in Fair value of outstanding forward contracts for ₹45.24 Million.

#### Current and Non-current provisions

(in ₹ Million)		
Particulars	March 31, 2020	March 31, 2019
Provision for employee benefits – Gratuity	221.44	171.42
Provision for employee benefits – Leave encashment	125.52	93.86
<b>Total</b>	<b>346.96</b>	<b>265.28</b>

Employee benefits provision increased to ₹346.96 Million as on March 31, 2020 compared to ₹265.28 Million on March 31, 2019.

The Board of Directors, in their meeting held on May 14, 2020 proposed no final dividend.

#### i. Other Current and non-current Liabilities and Trade payables

(in ₹ Million)		
Particulars	March 31, 2020	March 31, 2019
Trade payable	897.30	742.27
Current borrowings	964.64	358.79
Interest accrued but not due	0.98	-
Unearned revenue	144.08	157.21
Advance received from customer	87.99	21.82
Unpaid dividend	1.77	1.75
Statutory dues	199.07	142.44
Creditor for capital expenditure	0.53	0.55
Fair Value of outstanding forward contracts	100.59	4.82
Fair Value of outstanding corporate guarantee	-	8.92
Fair Value of contingent consideration	22.17	96.13
Deposits received	14.84	-
Other payable	6.58	24.07
<b>Total</b>	<b>2,440.54</b>	<b>1,555.77</b>

Advances received from customers represent money received for the delivery of future services. Unearned revenue primarily

comprises advance client billings on fixed-price and fixed-timeframe contracts for which related costs and earnings were not yet incurred. Unpaid dividends represent dividends paid, but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

## II. Operations Results

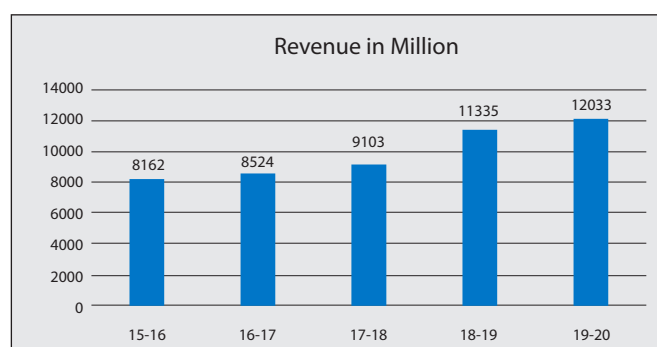
The following table provides an overview of the consolidated financial results of the Company.

(in ₹ Million)		
Particulars	March 31, 2020	March 31, 2019
Revenue from Operations	12,033.24	11,334.90
Other Income	205.10	108.12
<b>Total Revenue</b>	<b>12,238.34</b>	<b>11,443.02</b>
Operating Expenses	10,797.51	9,996.43
<b>EBITDA</b>	<b>1,440.83</b>	<b>1,446.59</b>
Finance Cost	46.26	47.71
Depreciation and Amortization	369.97	260.35
Impairment of Goodwill	157.72	-
<b>Earnings before Tax</b>	<b>866.88</b>	<b>1,138.53</b>
Share of Net profits of Joint Venture	12.03	8.98
<b>Earnings before Tax</b>	<b>878.91</b>	<b>1,147.51</b>
Taxes	260.64	302.76
<b>Profit after Tax</b>	<b>618.27</b>	<b>844.75</b>

#### a. Income:

##### Revenue from Operations

Revenue from operations increased by 6.2% to ₹12,033.24 Million in FY 2019-20 compared to ₹11,334.90 Million in FY 2018-19. COVID19 has affected volumes in BPO business specially tax return processing and banking transaction processing, total impact was about 0.8% on annual revenues, else we would have grown 7% instead 6.2%.



#### CAGR 10.19% for 5 years

##### Analysis of revenue growth (Constant currency growth)

Growth attributable to	FY 2020	FY 2019
Business growth	5.50%	17.9%
Impact of exchange rate	0.66%	6.6%
<b>Total growth</b>	<b>6.16%</b>	<b>24.5%</b>

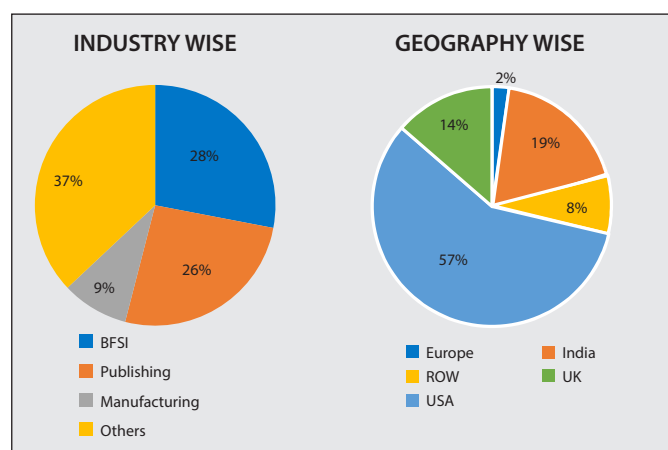
Movements in currency exchange rates through the year resulted in an impact of 0.66% on the reported revenue. The constant currency revenue growth for the year was 5.50%.



Average currency rates during FY 2019-20 compared to those in FY 2018-19 are given below:

Currency	Weightage (%)	FY 2019	FY 2020	% Change y-o-y
USD	57	69.74	70.76	1.47
GBP	14	91.56	90.01	-1.69
EUR	2	80.81	78.62	-2.71
AUD	3	50.84	48.20	-5.19
CHF	1	70.58	71.83	1.78
AED	1	18.98	19.27	1.53
PHP	3	1.32	1.38	0.06

#### Segment information



#### Other Income

(₹ in Million)		
Particulars	March 31, 2020	March 31, 2019
Interest Income	4.01	2.30
Dividend Income	3.71	5.14
Profit on Sale of Investment	26.63	18.27
Unrealized Gain on Investments	(11.66)	1.43
Foreign Exchange Gain	152.63	23.45
Guarantee Fees Received	-	1.00
Profit on Sale of Assets	0.82	-
Sundry Balance Written Back	10.12	1.62
Miscellaneous Income	18.84	54.91
<b>Total</b>	<b>205.10</b>	<b>108.12</b>

Other income increased to ₹205.10 Million in FY 2019-20 from ₹108.12 Million in FY 2018-19. The increase is primarily on account of gain from exchange fluctuations by ₹129.19 Million, Sundry balances write back by ₹8.49 Million, Profit on Sale of Investment by ₹8.37 Million, Interest Income ₹1.86 Million offset by Unrealized loss on Investments by ₹13.09 Million, Dividend income by ₹1.43 Million and Miscellaneous Income (Incentive received under SEIS Scheme) by ₹36.41 Million.

#### b. Expenditure

Operating expenses comprise purchase of IT products and licenses, employee benefits expense and other expenses. The total operating expenses stood at ₹10,797.51 Million in FY 2019-20 compared to ₹9,996.43 Million in FY 2018-19. Operating expenses as a percentage to revenue has increased from 88.19% of revenue in FY 2018-19 to 89.73% of revenue in FY 2019-20.

Employee benefits expense increased by ₹859.38 Million to ₹7,750.70 Million in FY 2019-20. Employee benefit expenses have increased from 60.78% of revenue in FY 2018-19 to 64.41% of revenue in FY 2019-20.

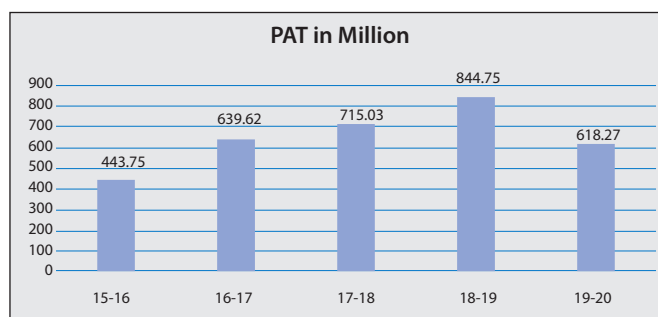
#### c. Depreciation, Amortization and Impairment of Goodwill

Depreciation charge has increased to ₹369.97 Million in FY 2019-20 from ₹260.35 Million in FY 2018-19. There is an impairment of goodwill of ₹157.72 Million in FY 2019-20 compared to NIL in FY 2018-19.

#### d. Profit after Tax

Net Profit after Tax decreased to ₹618.27 Million in FY 2019-20 from ₹844.75 Million in FY 2018-19. Net profit after non-controlling Interest decreased from ₹745.07 Million in FY 2018-19 to ₹638.64 Million in FY 2019-20.

#### CAGR 8.6% for 5 years



#### F. Risk management

The Company's global operations bring in considerable complexities and in response to that, Datamatics has established a robust enterprise risk and compliance management framework and process. This process provides an enterprise-wide view of risks and compliance which enables it to take a more holistic approach towards informed decision making. Some significant risks that could hinder Company operations are identified below:

##### Global Economic Risk

Datamatics derives majority of its revenues from overseas geographies. The changing economic conditions, inflation, reforms in tax laws, fiscal and monetary policies in these markets could enhance cost pressure and affect the Company adversely in several ways. The Company may also witness price reduction, lose key projects and customers, deterring financial performance.

Datamatics mitigates global economic risk by generating business from new market segments and enhances steeper growth in geographies other than the US and Europe.

##### Employee Related Risks

Datamatics' business is dependent on the quality of its workforce. Company's inability to attract, retain and motivate key employees would impair its ability to offer the right quality of service to the clients.

As a talent-driven organization, the Company's key goal is to have the best talent, with highly specialized skills in every business vertical, at the right levels and at the right locations, to enhance differentiation and competitiveness.

It strives to maintain its position as the employer of choice. Its Human Resources Department (HRD), is aligned with the Company's vision to attract, retain, and nurture high-quality talent.

The Company consistently tries to create a culture of learning and continuous improvement, to build and grow employee's career, across all HR functions.

### Business Continuity and Information Security

Datamatics is fully aware of Business Continuity risks arising out of global disruptions such as natural disasters, IT outages, cyber, pandemic, terror and unrest, power disruptions, to name a few. This is likely to hinder availability of people and process, technology and infrastructure.

The Company has a well-defined, robust and tested Business Continuity Plan (BCP) and Disaster Recovery (DR) processes in place. There are primary and secondary locations identified and equipped with the necessary infrastructure and facilities to ensure that the business processes can continue uninterrupted. There are dedicated, trained and empowered cross-functional teams at various levels in all locations to ensure that the BCP and DR processes are implemented in shortest possible times. Readiness according to the BCP and DR processes are regularly tested through surprise mock drills and audits. The audit and mock-drill findings are reviewed by senior management in Management Information Security Forum (MISF). In the past, the readiness was successfully verified in real scenario during the floods in Nasik and Chennai / Puducherry locations. The Company could bring up customer processes at the BCP and DR locations well-within the defined timelines. The Company was appreciated by customers for the several such occasions.

The Company's operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements and HIPAA requirements. The Company

is in the final stages of renewing its PCI-DSS certification. These standards are extremely important for financial, insurance and healthcare industries.

Moreover, Datamatics successfully implemented Security Information and Event Management (SIEM) solution, strengthening Information security management framework.

### Competition Risk

The technology market is evolving at a lightning speed. The world is moving towards smart automation and the emerging digital technologies are disrupting and changing the paradigm of business operations across Industries. This enhances the risk of competition. Datamatics manages to mitigate the competition risk by adopting the following measures:

- Datamatics invests in new technologies and product development in Robotics, Artificial Intelligence, Mobility and Analytics and consistently updates its own IP solutions in the digital technology space.
- With rapid urbanization, Datamatics is focusing on areas such as Automated Fare Collection, Smart Gates, and Contactless Gates service offerings to name a few. Datamatics has deep domain knowledge, skilled professionals, delivery capabilities and efficient sales force along with relationship managers to help retain its competitive positioning amongst peers.
- Adopting a customer centric approach together with its ability to innovate customer specific solutions, through its in-house incubation hub, DataLabs, Datamatics conducts research and development based on emerging trends and cutting-edge technologies.

- Datamatics aggressively invests in widening its partner network and believes that the evolving partner ecosystem will increase sales momentum and ensure smooth implementation and support for Datamatics IP solutions globally.

### Legal and Regulatory Compliance Risk

Datamatics is exposed to greater compliance risks than ever before due to its presence in multiple developed and developing countries. Data Privacy and protection of personal data is a high priority concern globally. Legislations such as General Data Protection Regulation (GDPR) in Europe and California Consumer Privacy Act (CCPA) in the United States carry severe consequences for non-compliance or breach. Any violation or security breach, non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputation impact.

To keep the Company protected against the risk of data privacy breach, all its contracts with the customers in the EU region have been revised to incorporate GDPR requirements. A dedicated

Data Protection Officer (DPO) has been appointed to address issues, if any, raised around GDPR compliance. Regular online training and workshops on Data Privacy and GDPR are conducted to foster a culture of awareness and responsibility among its employees. GDPR awareness is an integral part of the employee induction program.

Datamatics also uses services of professional consultants under the supervision of its dedicated in-house compliance team which is equipped to anticipate compliance risks and ensure compliance with domestic as well as overseas laws and regulations. Changes in the applicable regulations are monitored and tracked on a global basis.

### Currency Risk

Datamatics derives majority revenues in foreign currencies. Volatility in currency exchange movements negatively impacts Company's financial performance. Through appropriate hedging strategy and business marketing practices aligned with market best practices, the management team takes adequate steps to minimize currency-related value erosion. The Company consistently reviews economic scenario and updates policies accordingly.

### Internal Control Systems and their Adequacy

Datamatics has mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions. The Company intends to undertake further measures as

necessary in line with its intent to adhere to procedures, guidelines, and regulations as applicable in a transparent manner.

The Company has appointed, M/s. SKPAG & Co., Chartered Accountants, Mumbai as Internal Auditors of the Company. During the year, the Internal Auditor has carried out Company audit on significant areas affecting the Company's business. The Audit Committee reviews its findings and recommendations at periodic intervals.

The Company's internal control system is adequate considering the nature, size and complexity of its business.

### G. Outlook

The world has never experienced a challenge like the one faced today. Unlike the economic crises of the past, which primarily impacted consumer demand, the COVID-19 pandemic and



corresponding lockdowns have disrupted the supply chain as well as has resulted in global financial markets meltdown. Demand can be boosted through Government spends and stimulus; however, reviving the supply chain will be a herculean task. Consequently, the world will go through a period of a prolonged recovery.

It is too early to be able to predict the overall economic impact and the period it may take to get the pandemic under control. Several companies across every industry are experiencing a severe slowdown in their business. However, with a diversified customer base across multiple industries, Datamatics believes that the company is better prepared to face the challenge. Under these circumstances, the top priorities of Datamatics as an organization are:

1. Employee well-being
2. Focus on customers & retention
3. Manage cash flows & liquidity

**Employee well-being** is of foremost importance for Datamatics. Protecting the health and life of all Datamaticians and their families occupies center stage. At a company level, Datamatics is implementing all the guidelines recommended by the Government to ensure the safety and well-being of employees and to reduce the spread of the pandemic in the society at large.

**Focus on customers.** Servicing and retaining all Datamatics customers is of paramount importance. The current crisis and lockdowns with short notices have put high pressure on the company to deliver to customers. Datamatics has enabled over 99% of employees to work-from-home in a matter of very few days.

With the onset of a global economic slowdown, many Datamatics customers will come under stress with their business shrinking. It will naturally cause their priorities to change towards scaling back, conserving cash and exploring ways of becoming more efficient by leveraging digital technologies, and perhaps redesign their core business. As customers adopt digital technologies to drive their businesses, it provides an excellent opportunity to partner with

them in implementing digital transformation solutions that would enable them to remain competitive.

**Managing cash-flow** is a top priority for the company. The Datamatics Management team is keeping a keen eye on cash flow, taking all the necessary efforts to actively conserve cash and curtail all discretionary spends and look at alternative way to operate

**Looking ahead,** Datamatics will continue to focus on technologies, such as Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence. These digital technologies are some of the thrust areas for Datamatics and the company is investing in developing intelligent innovative solutions in these areas.

Datamatics will continue to invest in developing as well as updating its own IP solutions in the digital technology space. Datamatics is aggressively expanding its partner network and believes that the evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP solutions globally.

In addition to digital technologies, Datamatics has been focusing on areas, such as Automated Fare Collection and Smart Cities as growth areas in India as well as across the globe and will continue the focus.

To help enterprises navigate the business risk and mitigate their productivity losses, Datamatics has launched 'COVID-19 Enterprise Support Program'. Under this program, Datamatics is offering free use of three TruBots until 30<sup>th</sup> September 2020. With this program, the Company aims to help the enterprises mitigate business risks and successfully manage their operations remotely by using Datamatics TruBot. The Company has seen a good response to this program not only from the existing customers, but also from the other enterprises, which are using RPA for the first time.

Datamatics is well prepared to address the challenge posed by COVID-19 pandemic and is confident that as the world emerges from the pandemic, the company will come out stronger than ever and more resilient.

# Report on Corporate Governance

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of Datamatics' philosophy. It is a reflection of the culture, values and policies of the Company. To meet its obligations towards its shareholders and other stakeholders, the Company has a corporate culture of conscience and consciousness; integrity, transparency and accountability for efficient and ethical conduct of business. It aims at highest standards of transparency, integrity, fairness, and accountability as well as equal treatment to all the stakeholders comprising of regulators, employees, investors, customers, vendors and the society at large.

Realizing the criticality of sound corporate governance practices to enhance shareholders and stakeholders trust, the Company observes the highest level of ethics in all its dealings. Apart from complying with the statutory requirements, effective systems and practices towards improving internal controls and promotion of ethics at work place have been institutionalized.

The Board of Directors provides leadership and guidance for establishing and executing Corporate Governance practices by balancing economic and social goals commensurate with individual and society goals at large. At Datamatics, Corporate Governance practices are effectively implemented and enforced through self-regulation as well as by adopting code of conduct & ethics.

The Company firmly believes that corporate governance standards should go beyond the law and must satisfy the spirit

of law and not just the letter of the law. This is a way of life at Datamatics and is driven relentlessly across the organization.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('the Act').

## II. BOARD OF DIRECTORS

### a. Size and Composition of the Board:

The Board of Directors, along with its Committees, critically evaluates the Company's strategic direction, entrepreneurial leadership, management policies, possible risks and risk mitigation measures and their effectiveness. Thus, the Board provides strategic roadmap for the Company's future growth.

The Board has an optimum combination of Executive and Non-Executive Directors with effective balance of Independent and Non-Independent Directors, in conformity with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements.

Currently, the Board of Directors comprises of eight eminent persons of proven competence and integrity. The names and category of Directors on Board of the Company, name of the listed entities in which the Director is a Director and number of Directorships / Committee Membership(s) / Chairmanship(s) held by them in other Companies as on March 31, 2020 is summarized as under:

Name	Category	Directorship(s)/Committee Membership(s)/ Chairmanship(s)			Directorship in other listed entities
		Directorship(s) (see note no.1 )	Committee Membership(s) (see note no. 2)	Chairmanship(s) (see note no. 2)	
EXECUTIVE DIRECTORS					
Dr. Lalit S. Kanodia Chairman & Whole -Time Director	Promoter Non- Independent	6	--	--	RPG Life Sciences Limited, Independent Director
Mr. Rahul L. Kanodia Vice Chairman & CEO	Promoter Group Non-Independent	5	--	--	Safari Industries (India) Limited, Independent Director
NON-EXECUTIVE DIRECTORS					
Mr. Sameer L. Kanodia <sup>#</sup>	Promoter Group Non-Independent	4	1	--	NA
Mrs. Asha L. Kanodia <sup>^</sup>	Promoter & Non- Independent	-	-	-	NA
Mr. R. K. Saraswat	Independent	4	1	3	<ul style="list-style-type: none"><li>• Priya International Limited, Independent Director;</li><li>• Priya Limited, Independent Director.</li><li>• Vinati Organics Limited, Independent Director</li></ul>
Mrs. Mona Bhide*	Independent	2	1	1	<ul style="list-style-type: none"><li>• Vinati Organics Limited; Non-Executive Independent Director</li><li>• GIC Housing Finance Limited; Non-Executive Independent Director</li></ul>
Mr. Dilip D. Dandekar	Independent	6	2	--	<ul style="list-style-type: none"><li>• Kokuyo Camlin Limited; Executive Director</li><li>• Camlin Fine Sciences Limited Non-Executive Non-Independent Director</li></ul>
Mr. Vinay M. Aggarwal	Independent	--	--	--	NA

<sup>#</sup> Mr. Sameer L. Kanodia has resigned from the position of Whole-Time Director of the Company w.e.f. May 9, 2019 and his designation has been changed from Whole -Time Director to Non-Executive Director of the Company.

<sup>^</sup> Mrs. Asha L. Kanodia had resigned from her position as Non-Executive Director of the Company w.e.f. March 2, 2020 due to pre occupation. She is currently appointed by the Board of Director as an Additional Director designated as Non Executive Non Independent Director of the Company w.e.f. September 10, 2020.

<sup>\*</sup> Mrs. Mona Bhide has been appointed on the Board by circular resolution w.e.f. December 20, 2019 as an Additional Director (Non-Executive Woman Independent Director).



**Notes:**

1. Directorship excludes directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Act and Datamatics Global Services Limited;
2. This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies excluding Datamatics Global Services Limited.

None of the Directors on the Board are members of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees as specified in Regulation 26 of the SEBI Listing Regulations across all the Companies in which they are Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

**b. Board Meeting and Procedures:**

The Board, to look at the long-term strategic planning, financial statements and policy reviews, meets at least once in a quarter to review financial results and operations of the Company. The Notice along with the agenda of the Board/

Committee Meeting and comprehensive notes are given well in advance to all the Directors to enable them to take informed decisions. In case of special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by the Act, and are placed and confirmed by the Board at the next Board Meeting. The Agenda for the Board/Committee meetings are prepared by the Company Secretary in consultation with the Chairman, CEO and CFO of the Company. Every Director of the Company has liberty to recommend inclusion of items on the agenda.

All statutory and other matters of significant importance including information as mentioned in Schedule II Part A of the SEBI Listing Regulations are tabled before the Board for their discussions and consideration. The compliance reports of applicable laws, rules and regulations and the minutes of the meetings of the Committees of the Board and of the subsidiary companies are placed before the Board.

The draft Minutes are circulated amongst the members of the Board for their perusal. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are noted by the members and signed by the Chairman of the Board at the next Meeting.

During the financial year 2019-20, 5 (five) Board Meetings were held on **May 09, 2019; August 13, 2019; November 13, 2019; December 11, 2019; and January 30, 2020**. The necessary quorum was present for all the meetings. With reference to the Regulation 17 of the SEBI Listing Regulations, the gap between the two Board Meetings has not exceeded One Hundred and Twenty Days.

The attendance of each Director at the Board Meetings for the financial year 2019-20 and the last Annual General Meeting is detailed as under:

Name of the Director	Board Meetings		Attendance at the last Annual General Meeting held on August 13, 2019
	Held	Attended	
Dr. Lalit S. Kanodia	5	4	No
Mr. Rahul L. Kanodia	5	5	Yes
Mr. Sameer L. Kanodia	5	5	Yes
Mr. R. K. Saraswat	5	5	Yes
Mr. Shahzaad S. Dalal*	5	2	Yes
Mr. Dilip D. Dandekar	5	5	Yes
Mrs. Asha L. Kanodia **	5	4	No
Mr. Vinay M. Aggarwal	5	5	Yes
Mrs. Mona Bhide***	5	1	NA

\* Mr. Shahzaad S. Dalal's term as an Independent Director got completed on September 22, 2019.

\*\*Mrs. Asha L. Kanodia had resigned from her position as Non-Executive Director of the Company w.e.f. March 2, 2020 due to pre occupation. She is currently appointed by the Board of Director as an Additional Director designated as Non Executive Non Independent Director of the Company w.e.f. September 10, 2020.

\*\*\* Mrs. Mona Bhide has been appointed on the Board by circular resolution w.e.f. December 20, 2019 as an Additional Director (Non-Executive Woman Independent Director)

**c. Disclosure of relationships between Directors inter se:**

- Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia are sons of Dr. Lalit S. Kanodia and Mrs. Asha L. Kanodia.
- Mrs. Asha L. Kanodia is wife of Dr. Lalit S. Kanodia.

**d. Details of shares and convertible instruments held by Non-Executive Directors:**

- Mr. R. K. Saraswat is holding 1,000 shares in the Company.

- Mr. Sameer L. Kanodia is holding 14,72,858 shares in the Company.
- Mrs. Asha L. Kanodia is holding 33,05,258 shares in the Company.
- Mr. Shahzaad S. Dalal was holding 2,000 shares in the Company as on the date of the cessation of his term as an Independent Director on September 22, 2019.



**e. Familiarization Program for Independent Directors:**

All the Independent Directors inducted on the Board are given an orientation program about Company's nature of industry, business model, group structure, organization structure and such other areas. These programs provide insights into the Company to enable them to perform their roles, duties, responsibilities and make effective contribution as Independent Directors of the Company. The details on the Company's methodology of the Familiarization Program and the details of familiarization programs imparted to Independent Directors can be accessed at : <http://www.datamatics.com/sites/default/files/Familiarisation-Program-for-Independent-Directors.pdf>.

**f. Key Board qualifications, Expertise and Attributes**

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to ensuring that the Company is in compliance with the highest standards of corporate governance.

The table below summarizes key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Sr. No.	Key qualifications, skills and Attributes
A1	General Management and Business Operations
A2	Thought Leadership
A3	CEO/Senior Management Experience
A4	IT Industry
A5	Public Policy/Governmental Regulations
A6	Accounting/Finance/Legal
A7	Risk Management
A8	Human Resources Management
A9	Strategy/M&A/Restructuring
A10	Corporate Governance
A11	Business Development/Sales/Marketing
A12	International Business

Name of Director	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11	A12
Dr. Lalit S. Kanodia	√	√	√	√	√	√	√	√	√	√	√	√
Mr. Rahul L. Kanodia	√	√	√	√	√	√	√	√	√	√	√	√
Mr. Sameer L. Kanodia	√	√	√	√	√	√	√	√	√	√	√	√
Mr. R. K. Saraswat	√	√	√	√	√	√			√	√	√	√
Mr. Dilip D. Dandekar	√	√	√		√	√	√		√	√	√	√
Mr. Vinay M. Aggarwal	√	√	√	√	√	√	√		√	√	√	√
Mrs. Mona Bhide	√	√	√		√	√	√		√	√	√	√

**III. COMMITTEES OF THE BOARD:**

Currently, the Board has the following four committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee.

**AUDIT COMMITTEE**

The Company has constituted a well-qualified and independent Audit Committee as required under Section 177 of the Act, read with Rules thereto, and is also in compliance with Regulation 18 of the SEBI Listing Regulations. The role of audit committee and the information reviewed by it is as per Part C of Schedule II of the SEBI Listing Regulations, including but not limited to overseeing financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of auditors and internal auditors, scrutiny of intercorporate loans and investments and to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Company Secretary of the Company acts as Secretary of the Committee.

**■ Description of Terms of Reference:**

The terms of reference of the Audit Committee are as follows:

- i. Review of financial statements before they are submitted to the Board for adoption;
- ii. Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the auditors;
- iii. Review of quarterly, half yearly and yearly financial statements and audit report before they are presented to the Board, focusing *inter-alia* upon:
  - Accounting Policies and any changes thereto;
  - Major accounting entries based upon exercise of judgment by the management;
  - Ensuring compliance with the Accounting Standards;
  - Significant issues arising out of audit;
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large;
  - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 314 of the Companies Act, 2013;
  - Modified opinion(s) in the draft audit report;



- Compliance with the laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.
- iv. Review and monitor auditor's independence and performance and effectiveness of the audit process;
- v. Approve any subsequent modification of the transactions with the Related Parties;
- vi. Scrutiny of inter corporate loans and investments;
- vii. Valuation of undertaking and assets;
- viii. Review with the management, performance of the statutory and internal auditors and the adequacy of internal control systems;
- ix. Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- x. Review of the Company's financial and risk management systems;
- xi. Investigating the reasons for substantial defaults, if any, in the payment to the depositors, shareholders. (In case of non-payment of declared dividends), and creditors;
- xii. Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board;
- xiii. Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
- xiv. Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
- xv. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- xvi. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- xvii. Consider any other matter as may be requested by the Board;
- xviii. Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- xix. Perform such other functions as may be necessary or appropriate for the performance of its duties.

#### ■ Composition, Name of Members and Chairman:

The Audit Committee currently comprises of 4 (four) members i.e. 3 (three) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman), Mr. Dilip Dandekar and Mr. Vinay M. Aggarwal and 1 (One) Executive

Director viz. Mr. Rahul L. Kanodia.

Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Audit Committee also ceased w.e.f. September 22, 2019.

Mr. Dilip D. Dandekar was appointed as the member of the Audit Committee in the Board meeting held on November 13, 2019.

All members of the Committee are well versed with finance, accounts, corporate laws and general business practices. The Company Secretary of the Company acts as the Secretary of the Committee.

The meetings of Audit Committee are also attended by Chief Financial Officer and Partner of Statutory Auditors. Minutes of the Committee meetings are circulated to the Members and are placed before the Board for noting. The role of Audit Committee and the information reviewed by it is as per Part C of Schedule II of SEBI Listing Regulations including but not limited to overseeing of financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of statutory and internal auditors, scrutiny of intercorporate loans and investments, evaluation of internal financial controls and risk management systems.

#### ■ Meetings and Attendance during the year:

During the year under review, the Committee met 4 (Four) times on **May 09, 2019; August 13, 2019; November 13, 2019; and January 30, 2020** and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended the last AGM held on August 13, 2019.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	4	4
Mr. Vinay M. Aggarwal	Independent	Member	4	4
Mr. Rahul L. Kanodia	Non-Independent	Member	4	4
Mr. Shahzaad S. Dalal*	Independent	Member	4	2
Mr. Dilip D. Dandekar**	Independent	Member	4	1

\* Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Audit Committee also ceased w.e.f. September 22, 2019.

\*\*Mr. Dilip D. Dandekar was appointed as the member of the Audit Committee in the Board meeting held on November 13, 2019.

#### NOMINATION AND REMUNERATION COMMITTEE (N&RC)

The Nomination and Remuneration Committee is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The role of this committee and the information reviewed by it is as per Part D of Schedule II of SEBI Listing Regulations.

#### • Description of Terms of Reference:

The terms of reference of the N&RC are as under:

- i. Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions,

with a variety of perspectives and skills;

- ii. Formulation of the criteria for determining such as qualifications, positive attributes and independence for appointment of persons as Directors;
- iii. Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- iv. Devising a policy on diversity of Board of Directors;
- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- vi. Recommend to the Board all matters relating to the compensation (including annual increments, incentives and revision in salary) payable by the Company to the Senior Management;
- vii. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- viii. Consider any other matter as may be requested by the Board;
- ix. Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- x. Perform such other functions as may be necessary or appropriate for the performance of its duties.

#### ■ Composition, Name of Members and Chairman:

The Nomination and Remuneration Committee (N&RC) comprises of 3 (three) members i.e. Mr. R. K. Saraswat (Chairman, being Non-Executive Independent Director), 1(one) Executive Director viz. Dr. Lalit S. Kanodia and 1(one) Non-Executive Director viz. Mr. Vinay M. Aggarwal.

Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Nomination and Remuneration Committee also ceased w.e.f. September 22, 2019.

The Company Secretary of the Company acts as the Secretary of the Committee.

#### ■ Meetings and Attendance during the year:

During the year under review, the Committee met 3 (three) times on **May 09, 2019, August 13, 2019 and January 30, 2020**. The Chairman of the Nomination and Remuneration Committee attended the last AGM held on August 13, 2019.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	3	3
Dr. Lalit S. Kanodia	Non-Independent	Member	3	3
Mr. Vinay M. Aggarwal	Independent	Member	3	3
Mr. Shahzaad Dalal*	Independent	Member	3	1

\* Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Nomination and Remuneration Committee also ceased w.e.f. September 22, 2019.

#### ■ Performance evaluation criteria for Independent Directors:

The performance evaluation framework is in place and has been circulated to all the Directors. The factors that are evaluated includes participation and contribution by a Director, commitment and efforts taken by Director to promote mutual trust and respect, assisting in implementing and enhancing corporate governance activities, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

#### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The role of the Stakeholders Relationship Committee is as specified in Part D of Schedule II which includes - to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

#### ■ Description of Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- v. Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;



- vi. Review measures taken for effective exercise of voting rights by shareholders;
- vii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- viii. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- ix. Consider any other matter as may be requested by the Board;
- x. Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- xi. Perform such other functions as may be necessary or appropriate for the performance of its duties.

#### ■ Composition, Name of Members and Chairman:

The Stakeholders Committee comprises of 3 (three) members i.e. 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman) and Mr. Vinay M. Aggarwal and 1 (one) Executive Director viz. Mr. Rahul L. Kanodia.

The Company Secretary of the Company acts as the Secretary of the Committee.

#### ■ Meetings and Attendance during the year:

During the year under review, the Committee met 4 (Four) times on **May 09, 2019, August 13, 2019, November 13, 2019 and January 30, 2020**. The Chairman of the Stakeholders Committee attended the last AGM held on August 13, 2019.

The details of the Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	4	4
Mr. Vinay M. Aggarwal	Independent	Member	4	4
Mr. Rahul L. Kanodia	Executive Director	Member	4	4

#### ■ Name, Designation and Address of Compliance Officer:

Ms. Divya Kumart,  
Executive Vice President, Chief Legal Officer & Company Secretary  
Datamatics Global Services Limited  
Knowledge Centre, Plot No. 58, Street No. 17,  
MIDC, Andheri (East), Mumbai – 400 093.  
Tel: +91-22-6102 0000 | Fax: +91-22-28343669  
Email: investors@datamatics.com

#### ■ The details of shareholders grievances received and resolved during FY 2019 -20 is given below:

Sr. No.	Nature of Complaints	Opening	Received	Resolved	Pending
1.	Non-receipt of Dividend, and Misc.	0	17	17	0
2.	Non-receipt of Annual Reports/ Notices	0	1	1	0
3.	Others	0	2	2	0
<b>Total</b>		NIL	20	20	NIL

No shareholders grievances are pending as on the end of financial year.

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility [CSR] Committee of Directors is constituted in accordance with the provisions of Section 135 of the Act and the Rules framed thereunder. The Committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the Corporate Social Responsibility Policy.

#### • Description of terms of reference:

The terms of reference of the CSR Committee are as under:

- i. Formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder;
- ii. Recommend the amount of expenditure to be incurred on the CSR activities;
- iii. Monitor the implementation of the CSR Policy of the Company from time to time;
- iv. Prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

#### ■ Composition, Name of Members and Chairman:

The CSR Committee of the Board of Directors comprises of 3 (three) members i.e. 1 (one) Executive Director viz. Mr. Rahul L. Kanodia (Chairman) and 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat and Mr. Sameer L. Kanodia. The Company Secretary of the Company acts as the Secretary of the Committee.

#### ■ Meetings and Attendance during the year:

During the year under review, 1 (One) meeting was held on **May 09, 2019**. The Chairman of the CSR Committee attended the last AGM held on August 13, 2019.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Rahul L. Kanodia	Non – Independent	Chairman	1	1
Mr. R. K. Saraswat	Independent	Member	1	1
Mr. Sameer L. Kanodia	Non – Independent	Member	1	1

#### IV. Remuneration of Directors:

##### A. Remuneration Policy:

In terms of Section 178 of the Act the Remuneration Policy has been formulated by the N&RC of the Company and approved by the Board of Directors. The Policy ensures that:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and



incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

**B. Pecuniary relationship or transactions of the Non-Executive Directors vis-a vis the listed entity:**

The Company did not have any material pecuniary relationship or transactions with the Non-Executive Directors.

**C. Criteria for making payment to Non-Executive Directors:**

Criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at <http://www.datamatics.com/sites/default/files/Criteria-for-payment-to-Non-Executive-Directors.pdf>.

**D. Disclosure with reference to Remuneration to Whole-time Directors, other Executive Directors and Non-Executive Directors:**

The Whole-time Directors are paid remuneration by way of salary, commission, perquisites, incentives and allowances, as recommended by N&RC and approved by the Board of Directors and the members of the Company from time to time. Non-Executive Independent Directors are entitled for sitting fees for attending meetings of the Board of Directors and Audit Committee. Non-Executive Directors are also paid remuneration by way of commission up to a maximum limit of 0.25% of net profits of the Company for the financial year, as approved by the Members of the Company. The sitting fees being paid is within the limit prescribed under the Act.

The details of remuneration paid to the Directors during the financial year 2019-20 is given in Form MGT-9 which is annexed to the Board's report:

1. Details of fixed component and performance linked incentives along with performance criteria:
  - a. The remuneration to the Executive Directors is determined by N&RC and the same is recommended to the Board for their approval. The said remuneration is subject to

approval of the shareholders and Central Government, if required. The details of the said remuneration is given in Form MGT -9 which is annexed to the Board's Report;

- b. Annual increment of the Executive Directors is determined on the basis of the recommendations of N&RC which is within the overall limit for remuneration as approved by the shareholders.

**2. Terms of Appointment of Executive Directors:**

- a. Appointment of the Executive Directors is done for a maximum period of 5 (five) years as per provisions of the Act;
- b. Resignation from the position of Executive Directorship is addressed to the Board of Directors;
- c. All element of remuneration package summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc. are given in Form MGT-9 which is annexed to the Board's Report.

**V. INDEPENDENT DIRECTORS MEETING:**

Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on January 30, 2020, without the presence of Non-Independent Directors and Members of Management, to consider, inter alia, the following: (a) review the performance of Non-independent Directors and the Board as a whole; (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors; (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present in the Meeting and the Meeting was chaired by Mr. R. K. Saraswat.

**VI. GENERAL BODY MEETINGS:**

**A. Details of Annual General Meetings held during last 3 (three) years, and the special resolution(s) passed thereat, are as follows:**

Year	Date of Meeting	Time	Place of Meeting	Details of Special Resolution(s) passed
2016-17	September 14, 2017	11.00 a.m.	Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.	No Special Resolution passed.
2017-18	August 14, 2018	4.00 p.m.		No Special Resolution passed.
2018-19	August 13, 2019	2.00 p.m.		<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. R. K. Saraswat as an Independent Director</li> <li>2. Re-appointment of Mr. Dilip D. Dandekar as an Independent Director</li> <li>3. Approval for payment of commission to Non Executive directors of the Company</li> <li>4. Payment of remuneration to Dr. Lalit S. Kanodia exceeding limits as per Regulation 17 (6)(e) of SEBI(LODR) Regulations, 2015.</li> <li>5. Payment of remuneration to Mr. Rahul L. Kanodia exceeding limits as per Regulation 17 (6)(e) of SEBI(LODR) Regulations, 2015.</li> </ol>



#### B. Extraordinary General Meeting:

No Extraordinary General Meeting of the members was held during the year.

#### C. Postal Ballot:

Details of resolution passed through postal ballot during the year under review are as follow:

- Approval of the Shareholders was sought through notice of postal ballot dated March 18, 2019 for approving the Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and the Company. Mr. Ashish Bhatt, practicing Company Secretary was appointed as Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The Voting details and consolidated scrutinizer report are available on the website of the Company and Stock Exchanges.
- Approval of the Shareholders by way of Special Resolution was sought through notice of postal ballot dated December 11, 2019 for approving Sale of 100% shares in CIGNEX Datamatics Inc. (a corporation headquartered in the USA) indirectly held by the Company through CIGNEX Datamatics Corporation (a company incorporated under the laws of British Virgin Islands). Mr. Tushar Shridharani, Practicing Company Secretary was appointed as Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The Voting details and consolidated scrutinizer report are available on the website of the Company and Stock Exchanges.
- The above mentioned postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.
- None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

#### VII. MEANS OF COMMUNICATION:

- **Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Financial Express' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: [www.datamatics.com](http://www.datamatics.com).
- **Website: The Company's website:** [www.datamatics.com](http://www.datamatics.com) contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://listing.bseindia.com>.
- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for

corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are filed electronically on NEAPS. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://www.connect2nse.com/LISTING>.

- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Exclusive email-id:** The Company has an exclusive email id – [investors@datamatics.com](mailto:investors@datamatics.com) dedicated for prompt redressal of shareholders' queries, grievances etc.
- **Voluntary e-mail:** The Company voluntarily sends corporate announcements, official news releases and other communications to those shareholders whose Email IDs have been registered with the Company and depositories.

#### VIII. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the financial year 2019-20 as per the requirement of the SEBI Listing Regulations, is given in a separate section forming part of the Annual Report.

#### IX. WEBSITE:

The Company maintains a functional website containing basic information about the Company. The website address is [www.datamatics.com](http://www.datamatics.com). The Company is disseminating following information on its website:

- a. Details of business;
- b. Terms and conditions of appointment of Independent Directors;
- c. Corporate Announcement;
- d. Composition of various committees of Board of Directors;
- e. Code of conduct of Board of Directors and Senior Management Personnel;
- f. Details of establishment of Vigil Mechanism/ Whistle Blower policy;
- g. Criteria of making payments to Non-Executive Directors, if the same has not been disclosed in annual report;
- h. Policy on dealing with Related Party transactions;
- i. Policy for determining 'Material' subsidiaries;
- j. Details of familiarization programmes imparted to Independent Directors;
- k. Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances;
- l. Financial information;
- m. Shareholding pattern.
- n. Other information as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015



**X. GENERAL SHAREHOLDER INFORMATION****a) 32nd Annual General Meeting:**

Day : Saturday  
 Date : December 26, 2020  
 Time : 11.30 a.m.  
 Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM..

**b) Financial Year:**

The financial year of the Company starts from April 1 of every year to March 31 of the next year.

**c) Date of Book Closure:**

As mentioned in the Notice of this AGM

**d) Listing on Stock Exchange:**

The equity shares of the Company are listed at:

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001;
- National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

**e) Annual Listing Fees and Custodial Fees:**

The listing fees and custodial fees for the financial year 2019-20 have been paid by your Company within the stipulated time.

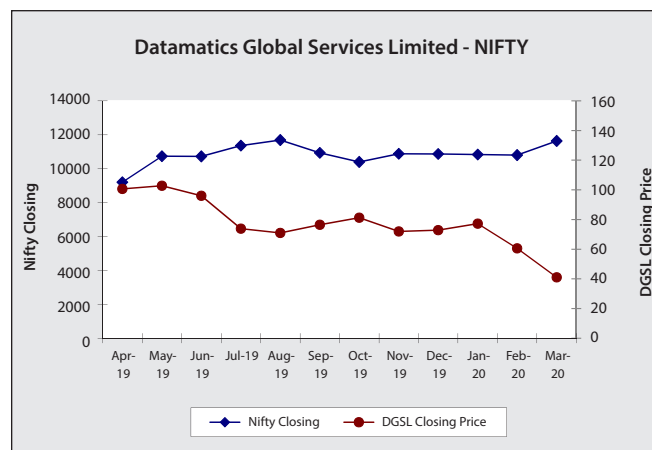
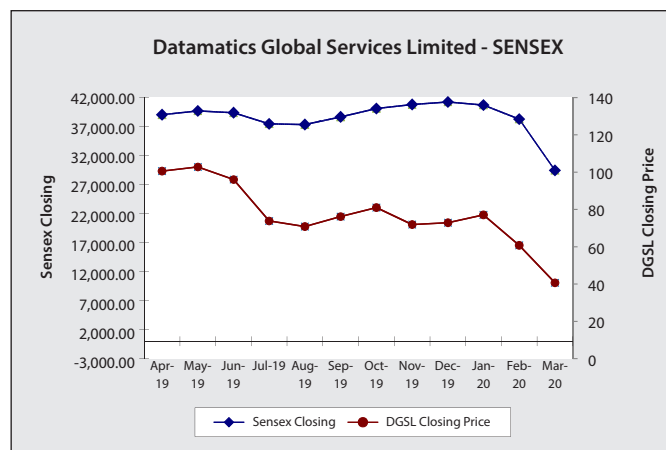
**f) Stock Code and Other related Information:**

BSE LIMITED	National Stock Exchange of India Limited	ISIN	CIN
532528; DATAMATICS	DATAMATICS	INE365B01017	L72200MH1987PLC045205

**g) Market Price Data:**

Details of high and low price during each month in the last financial year on BSE Limited and National Stock Exchange of India Limited, are as under:

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2019	110.5	97.5	110.5	97.15
May – 2019	116	89.5	116.2	89.25
June – 2019	105.9	91.7	105.95	91
July – 2019	98.35	71.5	99.8	69.05
August – 2019	80	63	79.95	63
September – 2019	90.9	69.75	90.8	69.15
October – 2019	82.35	70.1	82.1	69.75
November – 2019	81.95	68.5	83.25	68.6
December – 2019	74.45	66.9	74.7	66.55
January – 2020	86.25	69	86.4	69
February – 2020	78.1	59.7	78.15	58
March – 2020	60.7	28.1	62.45	27.4

**h) Performance in comparison to broad based indices of BSE Sensex:**



**i) Registrar and Transfer Agent:**

Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited)  
Plot No. B-5, MIDC,  
Part B, Cross Lane, Andheri (East),  
Mumbai – 400 093.  
Tel: 91-22-6671 2151; Fax: 91-22-6671 2250  
E-mail: shares@datamaticsbpm.com

**j) Share Transfer System:**

The Company's Equity Shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Equity Shares in physical form are processed by the Registrar and Share Transfer Agents, Datamatics Financial Services Limited and approved by the Stakeholders Relationship Committee of the Board of the Company. The share transfers are normally processed within 15 (fifteen) days from the date of receipt of the documents, if they are complete in all respects.

**k) Shareholding as on March 31, 2020:**

Distribution of equity shareholding as on March 31, 2020:

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. Of Holders
	From	To				
1	1	1000	3335467	5.66	18599	92.19
2	1001	2000	1155316	1.96	750	3.72
3	2001	4000	1109442	1.88	381	1.89
4	4001	6000	906139	1.54	181	0.90
5	6001	8000	427158	0.73	61	0.30
6	8001	10000	457074	0.78	49	0.24
7	10001	20000	1135896	1.93	82	0.41
8	20001	9999999999	50422845	85.54	72	0.36
	<b>TOTAL</b>		58949337	100.00	20175	100.00

Categories of equity shareholders as on March 31, 2020:

Category	No. of shares*	% of Shareholding*
Promoters & Promoter Group	4,37,20,820	74.16
Foreign Portfolio Investor	1,40,700	0.24
Banks and Financial Institution	56,315	0.10
Individuals	1,29,00,308	21.89
NBFC registered with SEBI	91	00.00
NRI	5,90,830	1.00
Trust	65	0.00
Bodies Corporate	13,97,665	2.37
Clearing Member	65,018	0.11
Foreign Nationals	18,000	0.03
IEPF	59525	0.10
Total	58,949,337	100.00

\* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2020.

However, Dr. Lalit S. Kanodia (Promoter) had purchased 38,033 & 34,848 shares of the Company on March 30, 2020 and March 31, 2020 totaling to 72,881 shares (0.13%) which has not been captured in the BENPOS data.

Disclosure pertaining to the above transactions were made by the Company with BSE & NSE as per Insider trading regulations.

**l) Unpaid/Unclaimed Dividend:**

Pursuant to the provisions of Section 124(5) of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Act.

Shareholders of the Company who have not received or encashed their dividend warrants for the financial years, as mentioned below, are requested to claim the unpaid/

unclaimed dividend from the Company before its transfer to the above mentioned Fund:

Year of Declaration	Date of Declaration	Interim/Final	Rate of Dividend (In ₹)	Date of Transfer to IEPF
2012-13	September 24, 2013	Final	₹1.00 per share	October 23, 2020
2013-14	September 23, 2014	Final	₹1.25 per share	October 22, 2021
2014-15	September 23, 2014	Interim	₹0.35 per share	October 22, 2021
2014-15	August 28, 2015	Final	₹0.65 per share	September 27, 2022
2015-16	March 21, 2016	Interim	₹0.50 per share	April 20, 2023
2015-16	September 15, 2016	Final	₹0.25 per share	October 14, 2023
2016-17	September 14, 2017	Final	₹0.75 per share	October 13, 2024
2017-18	March 21, 2018	Interim	₹0.50 per share	April 20, 2025
2017-18	August 14, 2018	Final	₹0.25 per share	September 13, 2025
2018-19	August 13, 2019	Final	₹1.00 per share	September 12, 2026

Note : An amount of ₹ 1,72,709/- lying in the Unpaid Dividend Account for the Financial Year 2011-12, has been transferred to IEPF account on November 11, 2019, the details of which is available on the website of the Company.

In respect of the dividend transferred under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from IEPF Authority, in accordance with such procedure and on submission of such documents as may be prescribed.

**m) Transfer of shares to Investor Education & Protection Fund (IEPF)**

Pursuant to the provisions of the Companies Act, 2013 read with IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company is required to transfer equity shares in respect of which dividends have not been claimed for a period of seven years continuously, to IEPF.

During the financial year, the Company had transferred 13,396 shares to IEPF. Details of these shares are available on the Company's website [www.datamatics.com](http://www.datamatics.com).

The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website [www.datamatics.com](http://www.datamatics.com).

**n) Updation of KYC details**

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members' register and communications have been sent by the Company to eligible shareholders in this regard. Shareholders are requested to update these details at the earliest.

**o) Dematerialization of shares and liquidity:**

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL]. The

International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN allotted to the Company is INE365B01017. As on March 31, 2020, 5,88,69,149 Equity Shares out of 58,949,337 Equity Shares of the Company, constituting 99.86% of the Company's paid-up capital are held in the dematerialized form. Share dematerialized upto March 31, 2020 are as under.

Particulars	As on March 31, 2020	
	No. of Shares	%
Shares in Demat form	588,69,149	99.86
- NSDL	1,92,72,138	32.69
- CDSL	3,95,97,011	67.17
Shares in Physical Form	80,188	0.14
Total	58,949,337	100

**p) ADRs/GDRs/Warrants:**

The Company has not issued any ADRs/ GDRs /Warrants or any other convertible instruments.

**q) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company is exposed to foreign currency fluctuation risk due to the constant variation of the Indian Rupee. The Board of Directors have approved Forex Risk Management Policy to keep the Company hedged against the risk of forex fluctuations. Any risk arising from exposure to foreign currency for exports and is being hedged according to policy approved.

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.


**r) Office Locations:**

INDIA	
Registered Office: Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093.	
Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.	Unit No. 189-190-, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.
Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.	701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096.
Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.	Unit No. 172, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.
Unit No. 105, Multistoried Building, 1st Floor, SEEPZ – SEZ, Andheri (E), Mumbai - 400 096.	The Great Oasis, 5th Floor, Plot No, D-13, Road No. 21 MIDC, Andheri (E), Mumbai - 400 093.
13/338, Sector, Sector 13, Indira Nagar, Lucknow, UP - 226010	No. 334, 4th Floor, 27th Main Road, 2nd Sector, HSR Layout, Bangalore - 560 102
6th floor, Eucharistic Congress Building No. III, C.S. No. 445, Ward A 885 (1A-1B) 5 Convent Street, Colaba, Mumbai 400001	Office No. 5, 2nd Floor, Tower 1, C-25, Sector 62, Stellar IT Park, Noida - 201 301
Suyojit Datamatics Knowledge Center, Suyojit I.T. Park, Survey No. 804, Unit No. S1-S3, Mumbai Agra Road, Nashik - 422 002.	Plot No 29-34, East Coast Road (100 Feet Road), Saram Revenue Village, Oulgaret Municipality, Lawspet Post, Puducherry - 605008.
RR Towers III, 3rd floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032.	Ground Floor President Plaza, Opp. Muktidham Derasar, Thaltej Cross Road, S.G Highway, Ahmedabad -380 054, Gujarat.
Unit No. A-4 and A-3, 2nd Floor, Tower C, Centrum Plaza, Golf Course Road, Sector – 53, Gurgaon.	91 Springboard, Creaticity Mall, Opp. Golf Course, Shashtrinagar, Yerwada, Pune 411006.
“RJ Grand” R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry – 605008.	9th Floor, CITIUS A Block, Phase 1, Olympia Tech Park, Plot No. 1, SIDCO Industrial Estate, Guindy, Chennai – 600032.
Cessna Business Park, Embassy Signet Building, 4th Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Bangalore – 560103.	Madhapur LVS Arcade 71, Jubilee Enclave, HITEC City, Hyderabad. Telangana 500081
12th Floor, Phase II, Ascendas IT Park, CSIR Road, Taramani, Chennai - 600 113, Tamil Nadu.	74II, 91 Spring Board Business Hub Pvt. Ltd., 5th Floor, C Cross Road, OPP. Gate No.2, Mumbai – 400 093.
No.10, Vazhudavoor Road, Pettaiyanchathiram, Thattanchavadi, Puducherry - 605 009	Office No. 607, A-40, Sector 62, Noida, Uttar Pradesh, 201309, India.

OVERSEAS	
Suite # 400, 31572 Industrial Road, Livonia, MI – 48150.	3rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.
Suite # 220, 56 Middlesex Turnpike, Burlington, MA – 01803	1, Doughty Street, London, WC1N2PH.
Suite #390, 510 Thornall Street, Edison, NJ – 08837.	Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.
Unit No. 115, First Floor, Publishing Pavilion, Dubai, UAE.	Office 3201, 32nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE PO Box: 501755.
268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom.	600 Cordwainer Drive, Unit 103. Norwell MA 02061
4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland,
153 Milton Keynes Business Centre, Foxhunter Drive, Linford Wood, Milton Keynes, Buckinghamshire, United Kingdom, MK14 6GD	1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila.
Suite 302, 52 Atchison St, Leonards, NSW 2065.	3rd Floor, Tower 1, Rockwell Business Center Ortigas Ave, Pasig City, 1600 Metro Manila, Philippines.
KEIZERSGRACHT 391 A, 1016 EJ, Amsterdam The Netherlands	Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands.
107 Atlanta Tech Park, Suite 510, Peachtree Corners, Atlanta, GA 30092	C/O ARNECKE SIBETH LABELSTEIN, Rechtsanwälte Steuerberater, Partnerschaftsgesellschaft mbB, Oberanger 34-36, 8 0331 Munich.
4633 Old Ironsides, Dr. Ste 109, Santa Clara, CA 95054, USA	

**s) Address for Correspondence**

Investors Correspondence/Compliance Officer	Registrar and Transfer Agent
Ms. Divya Kumat, Executive Vice President, Chief Legal Officer & Company Secretary Datamatics Global Services Limited Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai – 400 093. Tel: 91-22-6102 0000/1/2   Fax:91-22-2834 3669 E-mail: <a href="mailto:investors@datamatics.com">investors@datamatics.com</a>	<b>Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited)</b> Plot No. B-5, MIDC, Part B, Cross Lane, Andheri (East), Mumbai - 400 093. Tel: 91-22-6671 2151   Fax: 91-22-6671 2250 E-mail: <a href="mailto:depository@datamaticsbpm.com">depository@datamaticsbpm.com</a>

## XI. DISCLOSURES

### a) **Materially significant related party transactions:**

During the financial year 2019-2020, the Company has not entered into any material transactions with any of its related parties that may have potential conflict with the interests of the Company at large. The related party transactions entered into with the related parties as defined under the Act and with the SEBI Listing Regulations, during the financial year were in the ordinary course of business and at an arm's length basis and the same has been approved by the Audit Committee. The details of transactions with related parties are disclosed in the Notes to accounts of the Standalone Financial Statements. The Board of Directors have approved a policy for related party transactions which has been uploaded on the Company's website: <http://www.datamatics.com/investors/corporate-governance>

### b) **Details of non-compliance/penalties/strictures imposed on the Company by the Statutory Authorities:**

During the year, Company received notices from Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. respectively through letter dated August 7, 2019, for non-compliance of Listing Regulation 13 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, pertaining to submission of statement of shareholders complaints within 21 days from end of each quarter. The Company has always been meticulous in complying with the SEBI regulations and other applicable laws but the submission of Investor Complaints for quarter ended June 30, 2019 was inadvertently delayed. The fine of ₹ 2360/- each was paid to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. respectively and the said information was placed before the Board of Directors at its meeting held on August 13, 2019.

Except as mentioned above, there were no other instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to the capital market during the last three years.

### c) **Whistleblower/Vigil Mechanism:**

The Board of Directors have formulated a Whistleblower Policy/Vigil Mechanism in compliance with the provisions of Section 177 (10) of the Act and Regulation 22 of the SEBI Listing Regulations which is also available on the Company's website: <http://www.datamatics.com/investors/corporate-governance>. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

### d) **Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Listing Regulations:**

The Company has fully complied with the mandatory requirements of the Listing Regulations. The Company has also adopted the following non-mandatory requirements of SEBI Listing Regulation:

- The Company's financial statements have unmodified audit opinions.
- The company has appointed separate persons to the post of Chairman and CEO.
- The internal auditors of the Company, M/s. SKPAG & Co.,

Chartered Accountants, reports directly to the audit committee.

### e) **Policy for determining material subsidiaries:**

The Board of Directors has formulated a Policy for determining Material Subsidiaries pursuant to the provisions of the SEBI Listing Regulation. The same is displayed on the website of the Company at <http://www.datamatics.com/investors/corporate-governance>.

### f) **Appointment of Independent Director on the Board of material Unlisted Subsidiary Company:**

The Company has appointed the Independent Director on the Board of material unlisted subsidiary Companies viz. Lumina Datamatics Limited and Lumina Datamatics Inc.

### g) **Policy on dealing with related party transactions:**

The Board of Directors has adopted a Policy for dealing with related party transaction pursuant to the provisions of the SEBI Listing Regulations. The same is displayed on the website of the Company at <http://www.datamatics.com/investors/corporate-governance>.

### h) **CEO & CFO Certification:**

As required under Clause 33 of the SEBI Listing Regulations, the CEO and CFO certification on the Financial Statements and other matters have been obtained from Mr. Rahul L. Kanodia, Vice Chairman & CEO and Mr. Sandeep Mantri, Chief Financial Officer of the Company.

### i) **Details of total fees paid to statutory Auditors:**

The details of total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

(₹ In Million)

Type of Service	FY 2019-20	FY 2018-19
Audit Fees*	7.95	8.57
Tax Fees	2.95	2.73
Others	0.60	1.20
Total	11.50	12.49

\*Includes audit and audit related services

### j) **Complaints pertaining to sexual harassment:**

No Complaints pertaining to Sexual Harassment were received during the financial year under review.

### k) **Non – Debarment or Non-disqualification of Directors:**

A certificate from Mr. Tushar Shridharani, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is enclosed herewith.

## XII. Disclosures of the compliance of Corporate Governance Requirement:

The Company has made disclosures of the compliance of Corporate Governance Requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the SEBI Listing Regulations.

**XIII. Declaration by CEO:**

Declaration signed by Chief Executive Officer stating that the members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management is appended herewith.

**XIV. Compliance certificate signed by Auditors regarding compliance of conditions of corporate governance is appended herewith.****XV. Disclosure with respect to shares transferred to IEPF:**

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed under the said rules. At the end of the year, i.e., as at March 31, 2020, 59,525 equity shares were lying in the IEPF.

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**Declaration by the CEO**

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Datamatics – Code of Conduct and Ethics for the financial year ended March 31, 2020.

May 14, 2020  
Mumbai.

Rahul L. Kanodia  
Vice-Chairman & CEO



## AUDITORS' CERTIFICATE

To,

The Members of  
**Datamatics Global Services Limited**

We have examined the compliance of conditions of Corporate Governance by Datamatics Global Services Limited ('the Company') for the year ended March 31, 2020, as stipulated under regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof as adopted by the Company for ensuring the compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended on March 31, 2020.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**

Partner  
Membership No.: 109931  
UDIN: 20109931AAAAAT4747

Place : Mumbai  
Date : May 30, 2020



TUSHAR SHRIDHARANI  
B. Com., LL.B., F.C.S.

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Mumbai – 400 020

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
Datamatics Global Services Limited  
Knowledge Centre, Plot No. 58  
Street No. 17, MIDC, Andheri (East)  
Mumbai - 400 093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Datamatics Global Services Limited having CIN - L72200MH1987PLC045205 and having Registered Office situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai - 400 093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Dr. Lalit Surajmal Kanodia	00008050	03-11-1987
2.	Mr. Sameer Lalit Kanodia	00008232	30-01-2008
3.	Mr. Radhakrishna Kunjlal Saraswat	00015095	26-11-1998
4.	Mr. Vinay Mulkhraj Aggarwal	00030483	27-05-2015
5.	Mr. Rahul Lalit Kanodia	00075801	28-09-2007
6.	Mr. Dilip Digambar Dandekar	00846901	12-08-2014
7.	Mrs. Mona Bhide	05203026	20-12-2019

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: May 30, 2020

**Tushar Shridharani**  
FCS 2690 / COP 2190  
UDIN -F002690B000301527

# Independent Auditor's Report on the Audit of the Consolidated Financial Statements

To,

The Members of **DATAMATICS GLOBAL SERVICES LIMITED**  
**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, their consolidated profit, the consolidated other comprehensive income, their consolidated

changes in equity and their consolidated cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<p><b>A. Revenue recognition in respect of fixed price contract</b></p> <p>The Company inter alia engages in fixed price contracts, wherein revenue is recognized using the percentage of completion method based on the company's estimate of contract cost. We identified revenue recognition of fixed price contract as a Key Audit Matter since:</p> <ul style="list-style-type: none"> <li>accuracy and existence of revenues and onerous obligations, in respect of fixed price contracts, involves critical estimates.</li> <li>these estimates have high inherent uncertainty as it requires determination of the progress of the contract, costs incurred till date and future costs required to complete the remaining contract and performance obligations.</li> <li>estimate of costs is a critical estimate to determine the revenues and liability for a contract and these contracts may involve onerous obligations which require critical assessment of future costs.</li> <li>at the year-end significant amount of unbilled revenue is recognized on the balance sheet date.</li> </ul>	<p>Our audit procedures included discussion with the management to obtain an understanding of the systems, processes and controls implemented by the Company for recording and computing the costs, revenue and other estimates associated with such contracts. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>we evaluated the design of internal controls relating to recording of costs incurred and estimate of costs required to complete the performance obligations.</li> <li>we tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of costs incurred.</li> <li>we selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimate of costs, through the inspection of performance of these controls.</li> <li>we selected a sample of contracts and performed a retrospective review of costs incurred with estimate of costs to identify significant variations and verify whether those variations have been considered in estimating the future costs required to complete the contract.</li> <li>we reviewed a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations.</li> <li>we performed analytical procedures and test of details for reasonableness of incurred and estimated costs.</li> </ul>



Key Audit Matter	Auditor's Response
<p><b>B. Carrying Value of Goodwill</b></p> <p>The Group has goodwill of ₹ 2,030.81 million in respect of some of its Cash Generating Units. The Group is required to annually test the amount of goodwill for impairment. This annual impairment testing was significant to our audit because the balance of ₹ 2,030.81 million as of March 31, 2020 is material to the financial statements. The determination of recoverable amount requires judgment on the part of the management with respect to future revenue, estimated profit, discount rate and hence the assessment process is highly subjective and is based on assumptions.</p>	<p>We evaluated the appropriateness of management identification of Cash Generating Units and the continued satisfactory operation of the Holding Company's internal controls over the whole process. Our procedures included discussion with the management of the Holding Company on the suitability of the impairment model and reasonableness of the assumptions. Our review included the below:</p> <ul style="list-style-type: none"> <li>• Benchmarking the Holding Company's key assumptions with industry comparables, the assumptions made in the prior years and also comparing the margin and revenue trend with the actual results relating to previous forecasts.</li> <li>• We reviewed the Holding Company's management's impairment assessment and reviewed the calculation methodology and sources for key assumptions.</li> <li>• We reviewed the key assumptions, being the cash flows, growth assumptions and discount rates.</li> <li>• We performed sensitivity analysis over significant assumptions used in the models to ascertain the point at which impairment would be triggered and considered the likelihood of such a change.</li> <li>• We reviewed the disclosure in the consolidated financial statements in respect of the Holding Company's management's impairment testing to confirm that these are consistent with the conclusions of our audit work and meet the disclosure requirements of the relevant accounting standards.</li> </ul>

#### Other Information

The Holding 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 consolidated financial statements and our Auditors' Report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements if the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture is traced from their financial statements audited by the other auditors. 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 Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS")

specified under section 133 of the Act. The respective company's management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective management and Board of Directors of the companies included in the Group and its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

#### Auditor's Responsibility for the Audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether

the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of

the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Other Matters

(a) We did not audit the financial statements / financial information of fourteen subsidiaries (including nine step down subsidiaries), and one joint venture, whose financial statements / financial information reflect unconsolidated total assets of ₹ 9,818.67 million as at March 31, 2020, unconsolidated total revenues of ₹ 8,882.47 million, unconsolidated other comprehensive income of ₹ 489.74 million, unconsolidated net profit after tax of ₹ 369.17 million and unconsolidated net cash inflows amounting to ₹ 830.25 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements, in respect of a joint venture include the Group's share of net profit of ₹ 12.16 million and other comprehensive income of ₹ 12.04 million, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of ten subsidiaries (including nine step down subsidiaries), whose financial statements / financial information reflect unconsolidated total assets of ₹ 601.67 million as at March 31, 2020, unconsolidated total revenues of ₹ 1,066.72 million, unconsolidated other comprehensive income of ₹ 80.95 million, unconsolidated net profit after tax of ₹ 9.46 million and unconsolidated net cash inflows amounting to ₹ 86.33 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial





statements / financial information. In our opinion and according to the information and explanations given to us by the management of the Holding Company, these unaudited financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the unaudited financial statements / financial information certified by the management of the Holding Company.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements / information of subsidiaries, unaudited financial statements / financial information referred to in the paragraph on 'Other Matters' section above, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on 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 internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements / information of the subsidiaries and its joint venture, the financial statements / information certified by the Management in the case of some subsidiaries, as noted in the paragraph on 'Other Matters':
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Note No. 49 to the consolidated financial statements;
  - ii. The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and its joint venture incorporated in India.
- h) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company, subsidiary companies and its joint venture incorporated in India, wherever applicable, to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company, subsidiary companies and its joint venture incorporated in India 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

#### **Ashishkumar Bairagra**

Partner  
Membership No. 109931  
UDIN: 20109931AAAAAP1175

Place: Mumbai  
Date: May 14, 2020



# Annexure A

to the Independent Auditors Report dated May 14, 2020

Sr. No.	Name	Subsidiary / Step down Subsidiary / Joint Venture
1	Datamatics Global Services Inc	Subsidiary
2	Datamatics Infotech Limited	Subsidiary
3	Datamatics Global Services Pty Limited	Subsidiary
4	Datamatics Global Technologies Limited	Subsidiary
5	Datamatics Global Technologies AG	Subsidiary
6	Datamatics Global Services FZLLC	Subsidiary
7	Datamatics Global Services BV	Step down Subsidiary
8	Datamatics Global Services Corp	Step down Subsidiary
9	Datamatics Robotics Software Inc	Step down Subsidiary
10	Datamatics Robotics Software Limited	Step down Subsidiary
11	LD Publishing and eRetail Limited	Subsidiary
12	Datamatics Digital Limited	Subsidiary
13	Datamatics Staffing Services Limited	Step down Subsidiary
14	Techjini Inc	Step down Subsidiary
15	RJ Globus Solutions Inc	Step down Subsidiary
16	RJ Globus Inc	Step down Subsidiary
17	RJ Globus Solutions Private Limited	Step down Subsidiary
18	Cignex Datamatics Corporation	Step down Subsidiary
19	Cignex Datamatics, Inc	Step down Subsidiary
20	Cignex Datamatics Technologies Limited	Step down Subsidiary
21	Cignex Datamatics Pte Limited	Step down Subsidiary
22	Cignex Datamatics GmbH	Step down Subsidiary
23	Duo Consulting Inc	Step down Subsidiary
24	Lumina Datamatics Limited	Subsidiary
25	Lumina Datamatics Inc	Step down Subsidiary
26	Lumina Datamatics GMBH	Step down Subsidiary
27	LDR eRetail Limited	Step down Subsidiary
28	Lumina Datamatics Assessment & Analytics, LLC	Step down Subsidiary
29	Cybercom Datamatics Information Solutions Limited	Joint Venture



# Annexure B

## TO THE INDEPENDENT AUDITORS' REPORT

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Referred to in paragraph (f) of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the consolidated financial statements of the company for the year ended March 31, 2020.

#### Opinion

In conjunction with our audit of the consolidated financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial control over financial reporting of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, wherever applicable, as of that date.

In our opinion to the best of our knowledge and according to the opinion expressed in the report of other auditors, the Holding Company, its subsidiary companies and its joint venture incorporated in India, wherever applicable, in all material respects, have 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 controls over financial reporting established by the respective companies, wherever applicable, 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 respective company's management and Board of Directors of Holding Company, its subsidiary companies and its joint venture incorporated in India, wherever applicable, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the paragraph on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its joint venture incorporated in India, wherever applicable.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated 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.

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 5 subsidiary companies and 1 joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and the information provided by the Management.

#### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN: 101484W/W100197

#### Ashishkumar Bairagra

Partner  
Membership No. 109931  
UDIN: 20109931AAAAAP1175

Place: Mumbai  
Date: May 14, 2020

# Consolidated Balance Sheet

as at March 31, 2020

Particulars	Note	(₹ in million)	
		March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	1,180.09	1,177.35
Capital work-in-progress	3	7.33	9.78
Goodwill	4	2,030.81	2,124.25
Other intangible assets	4	165.18	218.65
Right-to-use assets	4	172.85	-
Intangible assets under development	4	3.71	3.20
Financial assets			
i. Investments	5	108.14	113.91
ii. Loans	6	1.30	0.29
iii. Other financial assets	7	138.60	165.86
Deferred tax assets	8 (c)	70.15	24.91
Non-current tax assets (net)	9	159.29	163.06
Other non-current assets	10	4.56	7.15
<b>Total non-current assets</b>		<b>4,042.01</b>	<b>4,008.41</b>
<b>Current assets</b>			
Financial assets			
i. Investments	11	254.95	454.50
ii. Trade receivables	12	2,724.51	2,461.37
iii. Cash and cash equivalents	13	1,948.17	696.18
iv. Bank balances other than (iii) above	14	39.07	38.04
v. Loans	15	10.97	3.65
vi. Other financial assets	16	770.13	698.84
Current tax assets (net)	17	49.49	18.86
Other current assets	18	351.27	292.35
<b>Total current assets</b>		<b>6,148.56</b>	<b>4,663.79</b>
Asset held for sale	42 (iv)	12.50	-
<b>Total Assets</b>		<b>10,203.07</b>	<b>8,672.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19(a)	294.75	294.75
Other equity	19(b)	6,648.27	6,104.81
<b>Equity attributable to owners of Datamatics Global Services Limited</b>		<b>6,943.02</b>	<b>6,399.56</b>
Non-controlling interests		220.15	393.67
<b>Total equity</b>		<b>7,163.17</b>	<b>6,793.23</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Lease liabilities	20	109.44	-
ii. Other financial liabilities	21	52.25	9.47
Provisions	22	278.49	228.42
<b>Total non-current liabilities</b>		<b>440.18</b>	<b>237.89</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	23	964.64	358.79
ii. Trade payables	24		
Dues of micro enterprises and small enterprises		5.63	0.13
Dues other than micro enterprises and small enterprises		891.67	742.14
iii. Other financial liabilities	25	95.21	126.77
iv. Lease liabilities	26	109.11	-
Provisions	27	68.46	36.86
Current tax liabilities (net)	28	33.86	54.92
Other current liabilities	29	431.14	321.47
<b>Total current liabilities</b>		<b>2,599.72</b>	<b>1,641.08</b>
<b>Total liabilities</b>		<b>3,039.90</b>	<b>1,878.97</b>
<b>Total Equity and Liabilities</b>		<b>10,203.07</b>	<b>8,672.20</b>

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

For and on Behalf of the Board

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

Place : Mumbai  
Dated : May 14, 2020

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



# Statement of Consolidated Profit and Loss

for the year ended March 31, 2020

(₹ in millions)			
Particulars	Note	March 31, 2020	March 31, 2019
Revenue from Operations	30	12,033.24	11,334.90
Other Income	31	205.10	108.12
<b>Total income</b>		<b>12,238.34</b>	<b>11,443.02</b>
<b>Expenses</b>			
Purchase of products and licenses	32	169.84	111.49
Employee Benefit Expenses	33	7,750.70	6,891.32
Finance Costs	34	46.26	47.71
Depreciation and Amortisation Expenses	35	369.97	260.35
Impairment of goodwill and other assets	36	157.72	-
Other Expenses	37	2,876.97	2,993.62
<b>Total expenses</b>		<b>11,371.46</b>	<b>10,304.49</b>
<b>Profit before share of net profits of investments accounted for using the equity method and tax</b>		<b>866.88</b>	<b>1,138.53</b>
Share of net profits of associates and joint ventures accounted for using the equity method		12.03	8.98
<b>Profit before tax</b>		<b>878.91</b>	<b>1,147.51</b>
Tax expense			
- Current tax	8(a)	264.43	284.89
- Deferred tax	8(a)	(3.79)	17.87
<b>Total tax expense</b>		<b>260.64</b>	<b>302.76</b>
<b>Profit for the year</b>		<b>618.27</b>	<b>844.75</b>
Share of Non controlling Interest in Profit for the year		(20.37)	99.68
<b>Profit for the year</b>		<b>638.64</b>	<b>745.07</b>

## Statement of Consolidated other comprehensive income (OCI) for the year ended March 31, 2020

(₹ in millions)			
Particulars	Note	March 31, 2020	March 31, 2019
Items that will be reclassified to profit or loss			
Cash flow Hedges		(192.05)	83.54
Foreign currency translation reserve movement		201.74	179.12
Tax relating to above		57.24	(50.89)
		<b>66.93</b>	<b>211.77</b>
Items that will not be reclassified to profit or loss			
Actuarial gains and losses		(49.59)	(9.95)
Fair value gain / (loss) on FVOCI instruments		(7.17)	1.64
Tax relating to above		11.14	3.17
		<b>(45.62)</b>	<b>(5.14)</b>
		<b>21.31</b>	<b>206.63</b>
Share of Non Controlling interest in Other Comprehensive income		(14.49)	(17.83)
<b>OCI for the year</b>		<b>35.80</b>	<b>224.46</b>
<b>Total comprehensive income for the year</b>		<b>674.44</b>	<b>969.53</b>
Earnings per Equity Share (of ₹ 5 each)			
- Basic (in ₹)	44	10.83	12.64
- Diluted (in ₹)	44	10.83	12.53

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 14, 2020

For and on Behalf of the Board

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Statement of changes in equity

for the year ended March 31, 2020

A. Equity share capital											(INR in millions)	
Particulars												
As at March 31, 2018											294.75	
Changes in equity share capital											-	
As at March 31, 2019											294.75	
Changes in equity share capital											-	
As at March 31, 2020											294.75	
B. Other equity											(₹ in millions)	
	Reserves and surplus					Other comprehensive income				Total other equity	Attributable to non-controlling interests	Total other equity
	Securities premium	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve			
As at March 31, 2018	1,080.08	3,290.81	11.91	585.88	(62.07)	494.28	2.63	(16.69)	50.14	(267.92)	363.64	5,532.69
Profit for the year	-	745.07	-	-	-	-	-	-	-	-	99.68	844.75
Other comprehensive income	-	-	-	-	-	-	1.64	(6.22)	32.54	196.50	(17.83)	206.63
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	(7.43)	(7.43)
Purchase of Non controlling interest	-	(18.72)	-	-	-	-	-	-	-	-	(27.41)	(46.13)
Additional shares issued in subsidiary	-	-	9.52	-	-	-	-	-	-	-	-	9.52
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	(16.98)	(16.98)
Proposed Dividend on Equity shares (including taxes of ₹ 6.82 million)	-	(14.73)	-	-	-	-	-	-	-	-	-	(14.73)
Interim Dividend on Equity shares (including taxes of ₹ 3.03 million)	-	(9.84)	-	-	-	-	-	-	-	-	-	(9.84)
As at March 31, 2019	1,080.08	3,992.59	21.43	585.88	(62.07)	494.28	4.27	(22.91)	82.68	(71.42)	393.67	6,498.48
Profit for the year	-	618.27	-	-	-	-	-	-	-	-	(20.37)	597.90
Adjustment for Ind AS 116 (Refer Note No. 46)	-	(55.01)	-	-	-	-	-	-	-	-	-	(55.01)
Non controlling interest	-	38.48	-	-	-	-	-	-	-	-	(38.48)	-
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	(100.18)	(100.18)
ESOP revocation	-	-	(10.72)	-	-	-	-	-	-	-	-	(10.72)
Other comprehensive income	-	-	-	-	-	-	(7.65)	(37.97)	(134.81)	201.74	(14.49)	6.82
Dividends paid (including taxes of ₹ 9.92 million)	-	(68.87)	-	-	-	-	-	-	-	-	-	(68.87)
As at March 31, 2020	1,080.08	4,525.46	10.71	585.88	(62.07)	494.28	(3.38)	(60.88)	(52.13)	130.32	220.15	6,868.42

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date  
For **ML BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

For and on Behalf of the Board

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

Place : Mumbai  
Dated : May 14, 2020

**Divya Kumart**  
EVP, Chief Legal Officer  
& Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



# Consolidated Cash flow statement

for the year ended March 31, 2020

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	866.88	1,138.53
<b>Adjustments for :</b>		
Depreciation and amortisation expense	263.91	260.35
Provision for doubtful debts, advances and investments	45.47	101.47
Impairment of Goodwill and other assets	157.72	-
Liabilities / excess provision written back	(10.12)	(11.40)
Loss/(Profit) on sale of fixed assets (net)	(0.82)	0.90
Lease Rent Ind AS 116 impact (net)	(20.39)	-
Interest expense	23.96	46.24
Employee stock option expenses	-	9.83
Unrealised gain on fair value of financial assets	11.66	(1.43)
Profit on sale of investments	(26.63)	(18.27)
Loss on sale of subsidiary	4.85	-
Dividend income	(3.71)	(5.14)
Unrealised foreign exchange (gain) / loss	(24.04)	(5.12)
Interest income	(4.01)	(2.30)
<b>Operating profit before working capital changes</b>	<b>1,284.73</b>	<b>1,513.66</b>
<b>Adjustments for :</b>		
(Increase) in trade receivables	(271.97)	(522.70)
(Increase) / decrease in loans	(8.33)	15.72
(Increase) in other financial and non-financial assets	(215.77)	(100.28)
Increase in trade payables	147.97	45.38
Increase in other financial and non-financial liabilities	214.21	179.65
<b>Cash generated from operations</b>	<b>1,150.84</b>	<b>1,131.43</b>
Direct taxes paid (net)	(316.03)	(235.36)
<b>Net cash flow from operating activities (A)</b>	<b>834.81</b>	<b>896.07</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(210.14)	(265.08)
Sale of fixed assets	5.37	16.62
Payment towards acquisition of subsidiary / non controlling interest	(124.22)	(197.10)
Sale of long-term investments	2.50	12.38
(Purchase) / Sale of current investments	214.45	(222.18)
Dividend received	14.42	5.14
Interest received	1.12	2.46
<b>Net cash flow used in investing activities (B)</b>	<b>(96.50)</b>	<b>(647.76)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (Repayment) of short-term borrowings	605.86	(299.16)
Dividend paid	(68.87)	(24.57)
Interest paid	(22.98)	(46.24)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>514.01</b>	<b>(369.97)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>1,252.32</b>	<b>(121.66)</b>
Cash and cash equivalents at the beginning of the year	696.18	817.84
Less: Cash and cash equivalents of subsidiary	(0.33)	-
<b>Net cash and cash equivalents at the end of the year</b>	<b>1,948.17</b>	<b>696.18</b>

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 14, 2020

For and on Behalf of the Board

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



# Notes forming part of the Consolidated Financial Statements

as at March 31, 2020

## Note 1: General Information

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Group was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Group converted itself from a Private Limited Group into a Public Limited Group and the name of the Group was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Group was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Group is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Group provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

## Note 2: Significant Accounting Policies

### a) Basis of Preparation of Financial Statements:

#### Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements were approved by the Group's Board of Directors and authorised for issue on May 14, 2020.

### b) Basis of Consolidation:

#### i) Subsidiaries

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2020 and as at March 31, 2019 are summarized below:

Name of the Subsidiary	2019 - 20		2018 - 19	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Inc	USA	100.00	USA	100.00
Datamatics Infotech Limited	UK	100.00	UK	100.00
Datamatics Global Services Pty. Limited	Australia	100.00	Australia	100.00
Datamatics Global Technologies Limited	Mauritius	100.00	Mauritius	100.00
Datamatics Global Technologies AG	Switzerland	100.00	Switzerland	100.00
Datamatics Global Services FZ LLC	U.A.E	100.00	U.A.E	100.00
Datamatics Global Technologies GmbH*	-	-	Germany	100.00
Datamatics Global Services Corp	Philippines	100.00	Philippines	100.00
Datamatics Global Services B.V.^	Netherlands	100.00	-	-
LD Publishing & eRetail Limited#	India	100.00	India	100.00
Datamatics Digital Limited	India	100.00	India	81.10
Techjini Inc	USA	100.00	USA	81.10
Datamatics Staffing Services Limited	India	51.00	India	41.36
Datamatics Robotics Software Inc	USA	100.00	USA	100.00
Datamatics Robotics Software Limited	India	100.00	India	100.00
RJ Globus Solutions Inc	Philippines	87.50	Philippines	75.00
RJ Globus Inc	USA	87.50	USA	75.00
RJ Globus Solutions Private Limited#	India	87.50	India	75.00
Cignex Datamatics Corporation	BVI	62.51	BVI	61.80
Cignex Datamatics Inc	USA	62.51	USA	61.80
Cignex Datamatics Technologies Limited	India	62.51	India	61.80
Cignex Datamatics Pte. Limited	Singapore	62.51	Singapore	61.80
Cignex Datamatics GmbH	Germany	62.51	Germany	61.80
Cignex Datamatics UK Limited*	-	-	UK	61.80
Duo Consulting, Inc.	USA	41.26	USA	40.79
Attune Infocom Private Limited@	-	-	India	31.52



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

Name of the Subsidiary	2019 - 20		2018 - 19	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Lumina Datamtics Limited	India	100.00	India	98.00
LDR eRetail Limited	India	100.00	India	98.00
Lumina Datamatics Inc	USA	100.00	USA	98.00
Lumina Datamatics GmbH	Germany	100.00	Germany	98.00
Lumina Datamatics Assessment and Analytics, LLC	USA	65.00	USA	63.70

^ Incorporated during the year

\* Strike off

# Under liquidation

@ Divested during the year

The financial statements of the Parent Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

Non controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non controlling shareholders at the dates on which investments are made by the Parent Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

The Parent Group and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with GAAP prevalent in their respective countries of domicile.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of charge of depreciation on fixed assets and other insignificant items for which the accounting treatment is given on the basis of local laws applicable in the respective country, for which using uniform accounting policies for the purpose of consolidation is impracticable.

### ii) Joint ventures

Interests in joint ventures are accounted for using the Equity method, after initially being recognised at cost in the consolidated balance sheet.

Name of the Joint venture	2019 - 20		2018 - 19	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Cybercom Datamatics Information Solutions Limited	India	50.50	India	50.50

### Equity Method :

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## iii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- \* certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;
- \* defined benefit plans – plan assets measured at fair value.

## iv) Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

## v) Ind AS 116, Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Refer Note 46 for further details.

## vi) Appendix C to Ind AS 12, Uncertainty over Income tax treatment

The Ministry of Corporate Affairs ("MCA") has notified the companies (Indian Accounting Standards) Amendment Rules, 2019 Containing Appendix C to Ind AS 12, uncertainty over Income tax treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The

Group has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

## vii) Amendment to Ind AS 19, Employee Benefits

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Any reduction in a surplus, even if that surplus was not previously recognised because of impact of the assets ceiling. The amendment is effective from April 1, 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

## c) Use of Estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

## d) Foreign currency translation

### i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

### ii) Transactions, balances and translation

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period. Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve. Exchange Difference arising on



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

### e) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue from the sale of distinct internally developed software and third party software is recognised upfront at the point in time when the software is delivered to the customer. In cases where implementation services rendered significantly modifies or customise the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

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.

#### Current income taxes

The current tax expense include income tax expense payable by the Group. Current income taxes payable by overseas subsidiaries is computed in accordance with tax laws applicable in the jurisdiction in which the respective subsidiaries operates.

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in same tax jurisdictions.

#### Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available

against which such deferred tax assets can be realized.

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

### g) Leases

The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group 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 Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

Refer Note 2(g) - Significant accounting policies - Lease of the Group's Annual report for the year ended March 31, 2019 for accounting policy of Ind AS 17.

## h) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

## i) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

## j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## k) Investments and other financial assets

### i) Classification

The Group classifies its financial assets in the following measurement categories:

\* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

\* those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

### ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are

solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

\* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The Group subsequently measures all equity investments, at fair value (except investment in joint venture which is valued at cost less impairment losses, if any). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## iv) Derecognition of financial assets

A financial asset is derecognised only when

\* The Group has transferred the rights to receive cash flows from the financial asset or

\* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## v) Income recognition

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

## l) Derivatives and hedging activities

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The Group does not use the forward contract for speculative purposes. The Group designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised through other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

## m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## n) Property, Plant and Equipment

Property, Plant and Equipments are valued at cost, except for certain Property, 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.



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

### o) Intangible assets

#### i) Goodwill

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Goodwill on consolidation of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

#### ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete fees acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

#### iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

#### iv) Other Intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### v) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Goodwill	Reviewed for impairment every year.
Patents, Trademarks, Copyrights	3 - 5 years
Customer contracts	3 years
Computer Software	3 years
Other intangible assets	3 years

### p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### r) **Borrowing costs**

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

### s) **Provision, Contingent Liabilities and Contingent Assets**

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.

### t) **Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

In case of Parent Group and its Indian Subsidiaries; (i) Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liability towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

Foreign subsidiaries maintain a defined contribution retirement plan, which covers substantially all the employees of the foreign subsidiaries and qualifies as a deferred salary

arrangement under laws of respective countries. The Group matches employees' contributions at the discretion of the Group.

### u) **Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### v) **Earnings per share**

In determining Earnings per Share, the Group considers the net profit attributable to Group's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

### w) **Business Combinations**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. Purchase consideration paid in excess of fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of identifiable assets and liabilities, the excess is recognised as capital reserve. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries. Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholder's equity.

### x) **Recent Indian Accounting Standards (Ind AS)**

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.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 3 - Property, plant and equipment

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	Capital work-in-progress
<b>Carrying cost As at March 31, 2018</b>	302.85	270.30	181.09	106.24	168.12	170.87	131.91	20.30	1,351.68	49.91
Additions	-	-	0.37	27.55	51.98	31.74	22.83	7.77	142.23	-
Acquisitions (business combination)	-	-	2.49	61.75	40.93	2.54	15.38	-	123.09	-
Disposals / derecognised	-	-	-	(1.96)	(0.74)	(7.39)	(1.41)	(1.41)	(12.91)	(40.13)
Exchange differences	-	-	-	9.63	(8.59)	3.01	4.83	0.04	8.93	-
<b>Carrying cost As at March 31, 2019</b>	302.85	270.30	183.95	203.21	251.70	200.77	173.54	26.70	1,613.02	9.78
Additions	-	-	8.74	41.72	37.01	41.47	13.16	7.52	149.62	9.46
Disposals / derecognised	-	-	(0.03)	(0.24)	(12.24)	(11.30)	(4.48)	(3.64)	(31.92)	(11.91)
Exchange differences	-	-	-	9.92	10.54	4.83	3.51	(0.75)	28.03	-
<b>Carrying cost As at March 31, 2020</b>	302.85	270.30	192.66	254.61	287.01	235.77	185.73	29.83	1,758.76	7.33

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	Capital work-in-progress
<b>Accumulated depreciation As at March 31, 2018</b>	-	9.36	11.95	10.89	49.63	106.94	44.38	6.39	239.54	-
Depreciation charge during the year	-	4.68	1.63	21.90	63.01	47.18	22.23	3.44	164.07	-
Acquisitions (business combination)	-	-	0.60	16.91	13.66	2.22	3.40	-	36.78	-
Disposals / derecognised	-	-	-	(0.11)	(0.22)	(4.70)	(0.10)	(0.65)	(5.79)	-
Exchange differences	-	-	-	(0.22)	(0.89)	2.12	0.04	0.02	1.07	-
<b>Accumulated depreciation As at March 31, 2019</b>	-	14.04	14.18	49.37	125.17	153.76	69.95	9.20	435.67	-
Depreciation charge during the year	-	4.61	3.85	10.16	57.75	40.28	25.86	3.73	146.24	-
Disposals / derecognised	-	-	(0.01)	(0.83)	(11.01)	(10.48)	(1.71)	(3.12)	(27.16)	-
Exchange differences	-	-	-	4.57	8.57	8.87	1.86	0.04	23.92	-
<b>Accumulated depreciation As at March 31, 2020</b>	-	18.65	18.02	63.27	180.49	192.43	95.96	9.85	578.67	-
<b>Net carrying amount as at March 31, 2020</b>	302.85	251.65	174.64	191.34	106.52	43.34	89.77	19.98	1,180.09	7.33
<b>Net carrying amount as at March 31, 2019</b>	302.85	256.26	169.77	153.85	126.53	47.01	103.59	17.50	1,177.35	9.78



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 4 - Intangible assets, Goodwill, Right-to-use assets

Particulars	Computer Software	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total	Goodwill	(₹ in millions)	
									Intangible assets under development	Right to Use Assets
<b>Carrying Cost As at March 31, 2018</b>	<b>309.56</b>	<b>29.66</b>	<b>8.35</b>	<b>0.02</b>	<b>56.96</b>	<b>6.65</b>	<b>411.20</b>	<b>1,764.10</b>	-	-
Additions	71.47	-	-	1.89	-	-	73.36	249.32	3.20	-
Acquisitions (business combination)	0.27	-	-	-	-	-	0.27	-	-	-
Disposals / derecognised	(10.10)	-	-	(0.49)	-	-	(10.59)	-	-	-
Exchange differences	14.03	-	-	-	1.12	(0.63)	14.52	132.58	-	-
<b>Carrying Cost As at March 31, 2019</b>	<b>385.23</b>	<b>29.66</b>	<b>8.35</b>	<b>1.42</b>	<b>58.08</b>	<b>6.02</b>	<b>488.76</b>	<b>2,146.00</b>	<b>3.20</b>	-
Additions	67.50	-	-	0.75	-	-	68.25	-	4.87	278.91
Disposals / derecognised	(56.28)	-	-	-	-	-	(56.28)	-	-	-
Exchange differences	0.56	-	-	-	1.82	(0.09)	2.29	92.18	-	-
<b>Carrying Cost As at March 31, 2020</b>	<b>397.01</b>	<b>29.66</b>	<b>8.35</b>	<b>2.17</b>	<b>59.90</b>	<b>5.93</b>	<b>503.02</b>	<b>2,238.19</b>	<b>3.71</b>	<b>278.91</b>

Particulars	Computer Software	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total	Goodwill	(₹ in millions)	
									Intangible assets under development	Right to Use Assets
<b>Accumulated amortisation and impairment As at March 31, 2018</b>	<b>123.18</b>	<b>15.43</b>	<b>4.26</b>	-	<b>26.97</b>	<b>3.82</b>	<b>173.66</b>	<b>11.73</b>	-	-
Amortisation charge during the year	64.41	6.70	1.87	0.31	13.33	0.43	87.05	9.22	-	-
Acquisitions (business combination)	0.16	-	-	-	-	-	0.16	-	-	-
Disposals / derecognised	(0.09)	-	-	(0.10)	-	-	(0.19)	-	-	-
Exchange differences	9.14	-	-	-	1.12	(0.83)	9.43	0.80	-	-
<b>Accumulated amortisation and impairment As at March 31, 2019</b>	<b>196.80</b>	<b>22.13</b>	<b>6.13</b>	<b>0.21</b>	<b>41.42</b>	<b>3.42</b>	<b>270.11</b>	<b>21.75</b>	-	-
Amortisation charge during the year	94.88	6.72	1.88	0.75	13.33	0.12	117.67	-	-	106.06
Impairment loss during the year	-	-	-	-	-	-	-	157.72	-	-
Disposals / derecognised	(56.28)	-	-	-	-	-	(56.28)	-	-	-
Exchange differences	2.83	-	-	-	1.82	1.68	6.34	27.90	-	-
<b>Accumulated amortisation and impairment As at March 31, 2020</b>	<b>238.23</b>	<b>28.85</b>	<b>8.01</b>	<b>0.96</b>	<b>56.57</b>	<b>5.22</b>	<b>337.84</b>	<b>207.37</b>	-	<b>106.06</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>158.78</b>	<b>0.81</b>	<b>0.34</b>	<b>1.21</b>	<b>3.33</b>	<b>0.71</b>	<b>165.18</b>	<b>2,030.81</b>	<b>3.71</b>	<b>172.85</b>
<b>Net carrying amount as at March 31, 2019</b>	<b>188.43</b>	<b>7.53</b>	<b>2.22</b>	<b>1.21</b>	<b>16.66</b>	<b>2.60</b>	<b>218.65</b>	<b>2,124.25</b>	<b>3.20</b>	-

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 5 - Non-current investments

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (at Fair Value through OCI) (FVOCI)</b>		
18,234 (P.Y. 18,234) fully paid Equity Shares of ₹ 2 each of Wipro Limited	3.58	4.65
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.02	0.09
800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.23	0.54
8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	1.26	2.13
38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	6.16	7.67
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	1.90	3.89
1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	1.45	2.49
900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.03	0.04
35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.09	0.39
56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation	0.84	0.77
<b>In Joint venture - Others- Unquoted (at cost)</b>		
428,390 (P.Y. 428,390) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	77.58	76.25
<b>Investment in preference shares</b>		
<b>Unquoted - In others (at FVTPL)</b>		
1,500,000 (P.Y. 1,500,000) 8% Compulsorily Convertible Redeemable Non-Cumulative Non-Participating Preference Shares of HandyTraining Technologies Private Limited of ₹ 10 each	15.00	15.00
<b>Total</b>	<b>108.14</b>	<b>113.91</b>
Aggregate amount of quoted investments	15.56	22.66
Aggregate amount of unquoted investments	92.58	91.25
Aggregate market value of quoted investments	15.56	22.66

## Note 6 - Loans (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
(Unsecured, considered Good, unless specified otherwise)		
<b>Others -</b>		
Loan to employees	0.55	0.29
Loan to Others	0.75	-
<b>Total</b>	<b>1.30</b>	<b>0.29</b>

## Note 7 - Other financial assets (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Security deposits	141.61	108.95
Less: Allowance for doubtful deposits	6.17	6.17
Net security deposits	135.44	102.78
Fixed deposit with bank having maturity of more than 12 months	0.44	0.40
Fair value of outstanding corporate guarantees (FVTPL)	-	8.92
Fair value of outstanding forward contracts (FVOCI)	2.72	53.76
<b>Total</b>	<b>138.60</b>	<b>165.86</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 8 - Taxation

#### 8(a) - Income tax expense

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
<b>Current tax</b>		
Current tax on profits for the year	258.80	295.18
Adjustments for current tax of prior periods	5.63	(10.29)
<b>Total current tax expense</b>	<b>264.43</b>	<b>284.89</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	(5.18)	11.26
Adjustments for deferred tax of prior periods	1.39	6.61
<b>Total deferred tax expense/(benefit)</b>	<b>(3.79)</b>	<b>17.87</b>
<b>Income tax expense</b>	<b>260.64</b>	<b>302.76</b>

#### 8(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Profit for the year	878.91	1,147.53
Tax expense at applicable tax rate*	204.72	328.87
Effects of:		
Items not deductible for tax	14.51	6.96
Tax holiday and Exempt income	(17.35)	(32.71)
Impairment of goodwill and other assets	33.12	-
Recognition of unutilized tax benefits / Unrecognized losses utilized	(8.68)	(35.28)
Taxable due to change in tax base	(10.44)	(2.73)
Undistributed earnings	(17.66)	25.20
Income taxed at higher / (lower) rates	(1.58)	(4.28)
Change in tax rate and law	26.07	2.44
Adjustments for current tax of prior periods	7.02	(3.68)
Others, net	30.91	17.97
<b>Income tax expense</b>	<b>260.64</b>	<b>302.76</b>



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## 8(c) - Deferred tax assets

The balance comprises temporary differences attributable to:

(₹ in millions)

Particulars	March 31, 2019	Recognized in Income statement	Recognized in OCI	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2020
<b>Deferred Tax Assets</b>					
Employee benefits	87.68	(13.82)	10.77	(0.58)	84.05
Provision for doubtful debts	71.84	(25.77)	-	(2.01)	44.06
Investment In subsidiaries	2.05	(2.05)	-	(19.12)	(19.12)
MAT credit	6.35	(4.87)	-	(0.98)	0.50
Net operating losses	10.62	12.99	-	(0.36)	23.25
Others	20.66	0.70	-	1.88	23.23
<b>Total Deferred Tax Assets</b>	<b>199.20</b>	<b>(32.82)</b>	<b>10.77</b>	<b>(21.17)</b>	<b>155.97</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	30.66	(14.27)	-	0.24	16.63
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	5.77	(4.68)	(0.37)	0.10	0.82
Cash flow hedging	39.41	-	(57.24)	(1.31)	(19.14)
Undistributed earnings	98.43	(17.66)	-	6.74	87.51
Others	0.02	-	-	(0.02)	-
<b>Total Deferred Tax Liabilities</b>	<b>174.29</b>	<b>(36.61)</b>	<b>(57.61)</b>	<b>5.75</b>	<b>85.82</b>
<b>Net Deferred Tax</b>	<b>24.91</b>	<b>3.79</b>	<b>68.38</b>	<b>(26.92)</b>	<b>70.15</b>

Particulars	March 31, 2018	Recognized in Income statement	Recognized in OCI	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2019
<b>Deferred Tax Assets</b>					
Employee benefits	72.45	11.23	3.12	0.88	87.68
Provision for doubtful debts	65.71	5.84	-	0.29	71.84
Investment In subsidiaries	(3.10)	5.14	-	0.01	2.05
MAT credit	88.30	(0.86)	-	(81.09)	6.35
Net operating losses	10.02	(0.86)	-	1.46	10.62
Others	16.17	4.50	-	0.01	20.66
<b>Total Deferred Tax Assets</b>	<b>249.55</b>	<b>24.99</b>	<b>3.12</b>	<b>(78.46)</b>	<b>199.20</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	16.76	14.73	-	(0.83)	30.66
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	2.43	3.39	(0.06)	0.01	5.77
Cash flow hedging	20.42	-	50.90	(31.91)	39.41
Undistributed earnings	69.55	25.20	-	3.68	98.43
Others	0.45	(0.46)	-	0.03	0.02
<b>Total Deferred Tax Liabilities</b>	<b>109.61</b>	<b>42.86</b>	<b>50.84</b>	<b>(29.02)</b>	<b>174.29</b>
<b>Net Deferred Tax</b>	<b>139.94</b>	<b>(17.87)</b>	<b>(47.72)</b>	<b>(49.44)</b>	<b>24.91</b>
Note :					

The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, Equity, MAT credit creation/utilisation during the period and foreign currency translation.

\* A new section 115BAA was inserted in the IT Act 1961 by the Govt of India on Sept 20, 2019 wide the Taxation Laws (Amendment) Ordinance 2019, which provides the option to pay income-tax at reduce rate in accordance with the provision/conditions defined in the said section. Accordingly the company and its certain entities have exercised the option u/s 115BAA. However some subsidiaries have decided not to exercise the option. The entities where the option have been exercised have recognised the income tax on the basis of that section and remeasured the current tax and deferred tax during the year.



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 9 - Non-current tax assets (net)

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Advance tax and tax deducted at source (net of provision for tax)	159.29	163.06
<b>Total</b>	<b>159.29</b>	<b>163.06</b>

### Note 10 - Other non-current assets

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Capital advances	0.14	5.93
Other advances -		
Prepaid expenses	3.95	0.78
Balance with govt authorities	0.05	0.05
Other assets	0.42	0.39
<b>Total</b>	<b>4.56</b>	<b>7.15</b>

### Note 11 - Current investments

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
<b>Investment in mutual funds</b>		
<b>Quoted (at FVTPL)</b>		
3,846 (P.Y. Nil) units of Nippon India Liquid Fund - Direct Plan Growth (face value of ₹ 1,000/- each)	18.60	-
923,898 (P.Y. Nil) units of HDFC Short Term Debt Fund - Growth (face value of ₹ 10/- each)	20.92	-
844,824 (P.Y. Nil) units of Nippon India Overnight Fund - Dir - Growth (face value of ₹ 100/- each)	90.50	-
144,018 (P.Y. Nil) units of Nippon India Arbitrage Fund-Direct Plan Growth (face value of ₹ 10/- each)	3.01	-
11,411 (P.Y. Nil) units of Kotak Overnight Fund - Growth (face value of ₹ 1,000/- each)	12.16	-
3 (P.Y. Nil) units of Motilal Oswal Home Finance Limited of ₹ 1,063,447/- each	3.19	-
2,254 (P.Y. Nil) units of HDFC Liquid Funds - Daily Dividend (Face value of ₹ 10/- each)	0.02	-
88,285 (P.Y. Nil) units of Franklin India Overnight Fund - Growth Option ₹ 1000/- each	92.20	-
Nil (P.Y. 2,563,272) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10/- each)	-	55.73
Nil (P.Y. 375,340) units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10/- each)	-	4.78
Nil (P.Y. 133,518) units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10/- each)	-	4.54
Nil (P.Y. 205,295) units of Aditya Birla Sun Life Corporate Bond Fund - Growth (Face Value of ₹ 10/- each)	-	14.71
Nil (P.Y. 7,118,577) units of Franklin India Ultra Short Bond Fund - SIP - Daily Dividend (Face Value of ₹ 10/- each)	-	73.42
13,485 (P.Y. 663,538) units of ICICI Prudential Liquid fund - Direct - Growth (Face Value of ₹ 100/- each)	3.94	183.12
226 (P.Y. 24,130) units of Reliance Liquid fund - TP - Growth (Face Value of ₹ 1,000/- each)	1.09	109.53
280,636 (P.Y. 280,636) units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10/- each)	9.32	8.67
<b>Total</b>	<b>254.95</b>	<b>454.50</b>
Aggregate amount of quoted investments	254.95	454.50
Aggregate market value of quoted investments	254.95	454.50

### Note 12 - Trade receivables

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
<b>Unsecured</b>		
Considered Good (Refer Note No. 45)	2,751.98	2,480.66
Less :- Allowance for expected credit loss	27.47	19.29
	2,724.51	2,461.37
<b>Credit impaired</b>		
Less :- Allowance for doubtful trade receivable (Refer Note No. 39)	177.85	256.71
	177.85	256.71
	-	-
<b>Total</b>	<b>2,724.51</b>	<b>2,461.37</b>

Trade receivable includes receivable from related parties (Refer Note No. 45).

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 13 - Cash and cash equivalents

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Balances with bank:		
- in Current Acocunt	1,662.44	681.79
- in Deposit Acocunt	278.60	-
Cash on hand	7.13	3.64
Cheque on Hand	-	10.75
<b>Total</b>	<b>1,948.17</b>	<b>696.18</b>

## Note 14 - Other bank balances

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Margin money deposits*	37.20	36.29
Fixed deposit with banks	0.10	-
Unpaid dividend account**	1.77	1.75
<b>Total</b>	<b>39.07</b>	<b>38.04</b>

\* Of the above ₹ 37.20 million (as at March 31, 2019: ₹ 36.29 million) are marked as lien for guarantees issued by banks on behalf of the Group.

\*\* The Group can utilise balances only towards settlement of the unpaid dividend.

## Note 15 - Loans (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
(Unsecured, Considered Good, unless specified otherwise)		
Others-		
Loan to employees	5.97	3.65
Loan to Others	5.00	-
<b>Total</b>	<b>10.97</b>	<b>3.65</b>

## Note 16 - Other financial assets (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Security deposits	14.56	8.01
Less: Allowance for doubtful deposits	2.50	-
Net Security deposits	12.06	8.01
Advances to related parties (Refer Note No. 45)	5.53	3.82
Others-		
Interest receivable	2.84	0.06
Fair value of outstanding forward contracts (FVOCI)	27.00	72.24
Unbilled revenue	722.70	614.71
<b>Total</b>	<b>770.13</b>	<b>698.84</b>

## Note 17 - Current tax assets (net)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Advance tax and tax deducted at source (net of provision for tax)	49.49	18.86
<b>Total</b>	<b>49.49</b>	<b>18.86</b>

## Note 18 - Other current assets

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Advance to Vendors	60.91	28.40
Advance to employees	21.92	32.02
Balance with govt authorities	111.35	92.70
Prepaid expenses	150.09	139.23
Other assets	7.00	-
<b>Total</b>	<b>351.27</b>	<b>292.35</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 19 - Share capital and other equity

#### 19(a) Equity share capital

##### (i) Authorised share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2019	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2020	104,000,000	520.00

##### Authorised redeemable preference share capital of face value of ₹ 10/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2019	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2020	45,550,000	455.50

##### Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2019	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2020	58,949,337	294.75

##### (ii) Movements in equity share capital

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	58,949,337	294.75
Issued during the year	-	-
As at March 31, 2019	58,949,337	294.75
Issued during the year	-	-
As at March 31, 2020	58,949,337	294.75

##### (iii) Shares of the company held by holding company

Particulars	March 31, 2020	March 31, 2019
32,098,742 (31,813,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited	165.00	159.07

##### (iv) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	32,098,742	54.45%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,688,265	6.26%	3,477,995	5.90%
Asha Lalit Kanodia	3,305,258	5.61%	3,305,258	5.61%

##### (v) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 14, 2020 have not proposed any dividend.

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

19(b) Other equity*		(₹ in millions)	
Particulars		March 31, 2020	March 31, 2019
Securities premium	Refer Note (i) below	1,080.08	1,080.08
Retained earnings		4,525.46	3,992.59
ESOP reserve	Refer Note (ii) below	10.71	21.43
General reserve	Refer Note (iii) below	585.88	585.88
Capital reserve	Refer Note (iv) below	(62.07)	(62.07)
Capital redemption reserve	Refer Note (v) below	494.28	494.28
OCI -			
Equity investments	Refer Note (vi) below	(3.38)	4.27
Actuarial gains and losses		(60.88)	(22.91)
Cash flow hedging reserve	Refer Note (vii) below	(52.13)	82.68
Foreign currency translation reserve	Refer Note (viii) below	130.32	(71.42)
<b>Total</b>		<b>6,648.27</b>	<b>6,104.81</b>

\* For movement of reserves, refer statement of changes in equity

### Nature of reserves

#### (i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

#### (ii) ESOP Reserve

ESOP reserve is created for issue of share capital under RSU plan.

#### (iii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

#### (iv) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the parent company. Also Goodwill on common control transaction is adjusted against capital reserve.

#### (v) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

#### (vi) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

#### (vii) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

#### (viii) OCI - Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 20 - Lease liabilities (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Lease liabilities (Refer Note No. 46)	109.44	-
<b>Total</b>	<b>109.44</b>	<b>-</b>

### Note 21 - Other financial liabilities (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Creditor for capital expenditure	0.53	0.55
Fair value of outstanding corporate guarantees (FVTPL)	-	8.92
Fair Value of outstanding forward contracts (FVOCI)	51.72	-
<b>Total</b>	<b>52.25</b>	<b>9.47</b>

### Note 22 - Provisions (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Unfunded (Refer Note No. 52)		
Provisions for employee benefits		
Gratuity	196.53	149.13
Leave encashment	81.96	79.29
<b>Total</b>	<b>278.49</b>	<b>228.42</b>

### Note 23 - Current borrowings

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Working capital loan		
From Directors (Unsecured)	-	18.10
From Banks (Secured)*	877.14	78.19
From Others (Secured)*	87.50	262.50
<b>Total</b>	<b>964.64</b>	<b>358.79</b>

\*Notes-

Working capital loans from HSBC Bank and Citibank NA are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the financial institution hence considered as current borrowings.

### Note 24 - Trade payables

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Dues of Micro enterprises and small enterprises	5.63	0.13
Dues other than Micro enterprises and small enterprises	891.67	742.14
<b>Total</b>	<b>897.30</b>	<b>742.27</b>

Micro and Small enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
(a) Dues remaining unpaid		
- Principal	-	0.13
- Interest on above*	-	0.01
(b) Interest paid in terms of Section 16 of MSMED Act		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	0.01	-
(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*	-	-

\* The Group has not provided any interest on the amount outstanding beyond stipulated period in the previous year.

### Note 25 - Other financial liabilities (current)

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Fair Value of contingent consideration	22.17	96.13
Fair value of outstanding forward contracts (FVOCI)	48.87	4.82
Interest accrued but not due	0.98	-
Deposits received	14.84	-
Unclaimed dividend*	1.77	1.75
Other payables	6.58	24.07
<b>Total</b>	<b>95.21</b>	<b>126.77</b>

\* Dividend ₹ 0.17 million (₹ 0.19 million) unclaimed for a period of more than seven years has been transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2020.

### Note 26 - Lease liabilities (Current)

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Lease liabilities (Refer Note No. 46)	109.11	-
<b>Total</b>	<b>109.11</b>	<b>-</b>

### Note 27 - Provisions (Current)

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Unfunded (Refer Note No. 52)		
Provisions for employee benefits		
Gratuity	24.91	22.29
Leave encashment	43.55	14.57
<b>Total</b>	<b>68.46</b>	<b>36.86</b>

### Note 28 - Current tax liabilities (net)

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Provision for tax (net of advance tax)	33.86	54.92
<b>Total</b>	<b>33.86</b>	<b>54.92</b>

### Note 29 - Other current liabilities

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Statutory dues	199.07	142.44
Advance from customers	87.99	21.82
Unearned revenue	144.08	157.21
<b>Total</b>	<b>431.14</b>	<b>321.47</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 30 - Revenue from operations

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Sale of Product	214.90	182.15
Sale of Services	11,818.34	11,152.75
<b>Total</b>	<b>12,033.24</b>	<b>11,334.90</b>

### Note 31 - Other income

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Interest from Bank	2.82	0.96
Interest Others	1.19	1.34
Dividend on share investment	3.71	5.14
Profit on sale of investments other than carried at FVOCI	26.63	18.27
Guarantee fees received	-	1.00
Net gain on disposal of property, plant and equipment	0.82	-
Unrealised gain on fair value of financial assets	(11.66)	1.43
Exchange gain (Net)	152.63	23.45
Incentive under SEIS Scheme	13.62	42.00
Miscellaneous receipts	15.34	14.53
<b>Total</b>	<b>205.10</b>	<b>108.12</b>

### Note 32 - Purchase of products and licenses

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Purchase of IT Products and Licenses	169.84	111.49
<b>Total</b>	<b>169.84</b>	<b>111.49</b>

### Note 33 - Employee benefit expenses

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Salary, Wages & Allowances	7,233.03	6,466.91
Contribution towards Provident & Other funds	291.40	248.82
Share based compensation (Refer Note No. 47)	-	9.83
Staff Welfare expenses	226.27	165.76
<b>Total</b>	<b>7,750.70</b>	<b>6,891.32</b>

### Note 34 - Finance costs

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Interest on loan from banks	20.26	39.82
Interest on lease liabilities (Refer Note No. 46)	13.81	-
Interest on loan others	3.70	6.42
Other finance charges	8.49	1.47
<b>Total</b>	<b>46.26</b>	<b>47.71</b>

### Note 35 - Depreciation and Amortisation Expenses

	(₹ in millions)	
Particulars	March 31, 2020	March 31, 2019
Depreciation on property plant and equipment	146.24	164.07
Depreciation on Leased Assets (Refer Note No. 46)	106.06	-
Amortisation on intangible assets	117.67	96.28
<b>Total</b>	<b>369.97</b>	<b>260.35</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 36 - Impairment of Goodwill and other assets

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Impairment of Goodwill and other assets (Refer Note No. 42)	157.72	-
<b>Total</b>	<b>157.72</b>	<b>-</b>

## Note 37 - Other expenses

(₹ in millions)

Particulars		March 31, 2020	March 31, 2019
IT Infrastructure & Development Cost		109.50	54.07
Technical fees		677.17	953.13
Outsourcing cost		533.84	240.35
Travelling expenses		314.19	384.59
Recruitment charges		61.65	58.53
Rent (Refer Note No. 46)		155.70	248.57
Electricity expenses		133.45	123.49
Communication charges		100.29	109.86
Rates & Taxes		35.50	35.68
Water charges		2.62	2.15
Legal & Professional expenses		196.22	195.62
Audit fees		11.50	12.49
Link Charges		45.50	52.38
Insurance		31.62	29.87
Vehicle expenses		27.58	10.34
Repairs & Maintenance expenses		95.09	104.76
Software Maintenance expenses		56.87	37.31
Hire charges		29.80	45.76
Printing & Stationery		32.66	29.88
Subscription expenses		38.29	26.28
Bank Charges		13.75	11.92
Board Sitting Fees		1.07	1.20
Loss on sale of subsidiary (Refer Note No. 42)		4.85	-
Sales Promotion		49.87	67.27
Security Charges		31.04	28.48
Loss on sale of assets (Net)		-	0.90
Bad Debts Written off	74.80		47.69
Less: Allowance for doubtful debts written back	(74.80)	-	(24.97)
Allowance for doubtful debts		45.47	78.75
CSR Expenses (Refer Note No. 54)		20.67	1.21
Miscellaneous expenses		21.21	26.06
<b>Total</b>		<b>2,876.97</b>	<b>2,993.62</b>



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 38: Fair value measurements

### Financial instruments by category

(₹ in Millions)

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	254.95	-	-	454.50	-	-
- Equity instruments	-	15.56	-	-	22.66	-
- Preference shares	15.00	-	-	15.00	-	-
Trade receivables	-	-	2,724.51	-	-	2,461.37
Cash and cash equivalents	-	-	1,948.17	-	-	696.18
Bank balances other than Cash and cash equivalents	-	-	39.07	-	-	38.04
Security deposit	-	-	147.51	-	-	110.79
Fair value of outstanding forward contracts	-	29.72	-	-	126.01	-
Loan to employees	-	-	6.52	-	-	3.94
Loan to others	-	-	5.00	-	-	-
Unbilled revenue	-	-	722.70	-	-	614.71
Other receivables	-	-	9.55	-	-	13.20
<b>Total financial assets</b>	<b>269.95</b>	<b>45.28</b>	<b>5,603.03</b>	<b>469.50</b>	<b>148.67</b>	<b>3,938.23</b>
<b>Financial liabilities</b>						
Borrowings	-	-	964.64	-	-	358.79
Trade payables	-	-	897.30	-	-	742.27
Creditor for capital expenditure	-	-	0.53	-	-	0.55
Lease liabilities	-	-	218.55	-	-	-
Fair value of outstanding forward contracts	-	100.59	-	-	4.82	-
Other payables	-	-	46.34	-	-	130.87
<b>Total financial liabilities</b>	<b>-</b>	<b>100.59</b>	<b>2,127.36</b>	<b>-</b>	<b>4.82</b>	<b>1,232.48</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 consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	254.95	-	-	254.95
Preference shares	-	-	15.00	15.00
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	-	29.72	-	29.72
Equity instruments	15.56	-	-	15.56
<b>Total financial assets</b>	<b>270.51</b>	<b>29.72</b>	<b>15.00</b>	<b>315.23</b>
<b>Financial Liabilities</b>				
Fair value of outstanding forward contracts	-	100.59	-	100.59
<b>Total financial liabilities</b>	<b>-</b>	<b>100.59</b>	<b>-</b>	<b>100.59</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

	(₹ in Millions)			
	Level 1	Level 2	Level 3	Total
<b>Financial assets and liabilities measured at fair value At March 31, 2019</b>				
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	454.50	-	-	<b>454.50</b>
Preference shares	-	-	15.00	<b>15.00</b>
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	-	126.01	-	<b>126.01</b>
Equity instruments	22.66	-	-	<b>22.66</b>
<b>Total financial assets</b>	<b>477.16</b>	<b>126.01</b>	<b>15.00</b>	<b>618.17</b>
<b>Financial Liabilities</b>				
Fair value of outstanding forward contracts	-	4.82	-	<b>4.82</b>
<b>Total financial liabilities</b>	<b>-</b>	<b>4.82</b>	<b>-</b>	<b>4.82</b>

There are no transfers between levels 1 and 2 during the year.

Reconciliation of Level 3 fair value measurement is as follows:

	(₹ in Millions)
<b>Particulars</b>	<b>Amount</b>
<b>Balance as on March 31, 2018</b>	<b>15.00</b>
Change in the value	-
<b>Balance as on March 31, 2019</b>	<b>15.00</b>
Change in the value	-
<b>Balance as on March 31, 2020</b>	<b>15.00</b>

### 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 39: Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis, Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Export Receivables	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

### Credit risk management

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2020 and March 31, 2019 is the carrying value of such trade receivables as shown in note 12 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	₹ In millions
<b>Loss allowance on March 31, 2018</b>	<b>272.97</b>
Changes in loss allowance	(16.26)
<b>Loss allowance on March 31, 2019</b>	<b>256.71</b>
Changes in loss allowance	23.41
Bad debts write off	(74.80)
<b>Loss allowance on March 31, 2020</b>	<b>205.32</b>

## B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## C) Market risk

### i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2020 and March 31, 2019 are given below :

Particulars	Currency	(₹ in Millions)			
		March 31, 2020		March 31, 2019	
		Foreign Currency	₹ In Millions	Foreign Currency	₹ In Millions
Receivables	USD	9.51	719.05	5.80	402.61
	GBP	2.10	196.37	1.36	122.37
	EUR	0.85	70.50	0.76	60.09
	CHF	0.44	34.23	0.27	18.75
	AUD	0.58	26.94	0.53	26.24
	AED	0.06	1.33	-	-
	CAD	0.03	1.66	0.01	0.51
	SEK	0.05	0.41	0.19	1.40
	ZAR	-	-	0.00	0.23
Payables	USD	0.15	11.44	1.40	96.75
	EUR	-	-	0.01	1.03
	CHF	0.14	11.28	0.01	0.44
	GBP	0.00	0.02	0.07	6.16
	AED	-	-	0.00	0.00
	AUD	0.00	0.19	-	-
	SGD	0.00	0.04	-	-

### b) Sensitivity

The Group is mainly exposed to changes in USD, GBP, CHF, AUD and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and EUR exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	(₹ in Millions)	
	March 31, 2020	March 31, 2019
USD	35.38	19.72
GBP	9.82	6.01
EUR	3.53	2.95
CHF	1.15	0.92
AUD	1.34	1.31

\* Holding all other variables constant

### ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2020 and March 31, 2019, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

### a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in Millions)	
	March 31, 2020	March 31, 2019
Variable rate borrowings	477.14	55.31
Fixed rate borrowings	487.50	303.48
<b>Total borrowings</b>	<b>964.64</b>	<b>358.79</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2020			March 31, 2019		
	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans
Working Capital Demand Loan	4.38%	477.14	49.46%	4.38%	55.31	15.42%

### b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

	Impact on profit after tax	
	March 31, 2020	March 31, 2019
Interest rates – increase by 70 basis points (70 bps) *	(3.34)	(0.39)
Interest rates – decrease by 70 basis points (70 bps) *	3.34	0.39

\* Holding all other variables constant

### iii) Price risk

#### a) Exposure

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The majority of the Group's equity investments are publicly traded.

### Note 40: Capital management

#### a) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturities of non current borrowings.

(₹ in Millions)

	March 31, 2020	March 31, 2019
Borrowings	964.64	358.79
Total equity	7,163.17	6,793.23
<b>Borrowing to equity ratio</b>	<b>0.13</b>	<b>0.05</b>

#### b) Dividends

(₹ in Millions)

Particulars	March 31, 2020	March 31, 2019
<b>(i) Equity shares</b>		
Interim dividend for the year ended March 31, 2020 of Nil (March 31, 2019 – ₹ 0.25) per fully paid share	-	14.74
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ NIL per fully paid equity share (March 31, 2019 – ₹ 1).	-	58.95

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 41: Segment information

### Description of segments and principal activities

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.

The Group organised itself into two business units, which form the operating segments for segment reporting.

The operating segments are :

- IT Services (IT)
- Business Process Management (BPM)

Particulars	(₹ in Millions)	
	March 31, 2020	March 31, 2019
<b>Segment Revenue</b>		
IT	7,071.14	6,497.66
BPM	4,962.10	4,837.24
<b>Total</b>	<b>12,033.24</b>	<b>11,334.90</b>
Less: Inter Segment Revenue	-	-
<b>Revenue from Operations</b>	<b>12,033.24</b>	<b>11,334.90</b>
<b>Segment results</b>		
IT	785.11	729.51
BPM	450.62	608.96
<b>Total</b>	<b>1,235.73</b>	<b>1,338.47</b>
Less: Inter Segment Profit	-	-
<b>Total Segment results</b>	<b>1,235.73</b>	<b>1,338.47</b>
unallocable expenses	573.95	308.06
Share in profit of JV	12.03	8.98
Other income	205.10	108.12
<b>Profit before taxes</b>	<b>878.91</b>	<b>1,147.51</b>
Tax expenses	260.64	302.76
<b>Profit after tax</b>	<b>618.27</b>	<b>844.75</b>

### Segment Assets and Liabilities

The assets and liabilities used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

### Geographic Segment

Revenue attributable to the location of the customers is as follows :

Geographic Location	(₹ in Millions)	
	March 31, 2020	March 31, 2019
USA	6,945.30	7,039.09
Europe	1,912.15	2,076.15
Rest of World	3,175.79	2,219.66
<b>Total</b>	<b>12,033.24</b>	<b>11,334.90</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 42: Business Combinations

#### Summary of business combinations in current Year

- (i) In the month of April 2019 the parent company acquired additional 12.5% of the issued share capital of RJ Globus Solutions Inc (RJ Globus).
- (ii) In the month of April 2019 the parent company acquired balance stake in Datamatics Digital Limited (DDL). Now Datamatics Digital Limited has become wholly owned subsidiary of the parent company.
- (iii) On April 20, 2020, Duo Consulting Inc. ("Duo"), a subsidiary of Cignex Datamatics Inc. (Cignex USA), entered into a sale and assignment agreement ("Asset Purchase Agreement") with a third party. Under the terms of the agreement, Duo has agreed to sell contracts and computer system, assign its employees along with customer contracts, and business IT systems. Consequently, the Management of the Holding Company, in its annual assessment for goodwill impairment, has impaired the goodwill associated with Duo amounting to ₹ 157.72 million in the consolidated financial results.
- (iv) On September 09, 2019, Cignex Datamatics Technologies Limited (Cignex India), a step down subsidiary of the Holding Company, has entered into a share purchase agreement, pursuant to which Cignex India had agreed to sell its entire ownership interest in Attune Infocom Private Limited (Attune) a subsidiary of Cignex India, to the non-controlling shareholder of Attune, in a phased manner. The Management concluded that the Holding Company no longer meets the accounting criteria for consolidation of Attune due to loss of control over the operations of Attune. Effective September 09, 2019, the Holding Company has de-consolidated the subsidiary and has recorded a loss of ₹ 6.28 million due to the de-consolidation. Cost of investment is shown as Asset Held for Sale ₹ 12.50 million.

#### Reconciliation of contingent consideration

(₹ in Millions)		
Particulars	RJ Globus	DDL
Contingent consideration on March 31, 2019*	63.64	116.00
Change on account of change in consideration	-	(6.89)
Change on account of acquisition of additional stake	(44.60)	(109.11)
Exchange difference	3.13	-
<b>Contingent consideration on March 31, 2020</b>	<b>22.17</b>	<b>-</b>

\* Including amount shown in Non-controlling interest of ₹ 52.36 million.

#### Summary of acquisitions in Previous Year

- (i) On April 7, 2018 the parent entity acquired 75.00% of the issued share capital of RJ Globus Solutions Inc (RJ Globus). The principal activities of the company is to engage in call centre and BPO services, inbound and outbound and data processing.
- (ii) On March 17, 2019 one of the subsidiary, Datamatics Digital Limited acquired 51.00% of the issued share capital of Datamatics Staffing Services Limited (DSSL).

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in Millions)		
Particulars	RJ Globus	DSSL
	Amount	Amount
Cash paid	30.40	74.46
Contingent Consideration	32.55	-
<b>Purchase consideration</b>	<b>62.95</b>	<b>74.46</b>

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in Millions)		
Particulars	RJ Globus	DSSL
	Amount	Amount
Property, plant & equipments	58.79	2.60
Security deposits	17.59	0.43
Deferred tax asset	-	1.84
Trade receivables	16.26	12.36
Cash & Bank Balances	1.86	2.38
Liquid Investments	-	1.59
Advance tax payment (net of provision)	(0.95)	3.19
Loans & advances	1.56	1.23
Customer advance	-	(0.25)
Employee benefits provision	-	(4.30)
Trade payables	(35.64)	(1.08)
Borrowings	(76.69)	(18.10)
Statutory liabilities	(16.91)	(1.69)
Unearned Revenue	(15.61)	-
<b>Net identifiable assets acquired</b>	<b>(49.74)</b>	<b>0.20</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

Calculation of goodwill		(₹ in Millions)
Particulars	RJ Globus Amount	DSSL Amount
Consideration transferred	62.95	74.46
Non-controlling interest in the acquired entity	(12.44)	(5.00)
Net identifiable assets acquired	49.74	(0.20)
<b>Goodwill</b>	<b>100.25</b>	<b>69.26</b>

### Acquisition related costs

Acquisition related costs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

### (iii) On March 19, 2019 the parent entity acquired additional 10.00% in Datamatics Digital Limited (DDL).

Particulars	(₹ in Millions) Amount
Opening net assets	177.94
Profit for the period ended March 18, 2019	96.13
Net worth as at acquisition date	274.07
Additional stake of 10%	27.41
Purchase consideration	55.00
Capital Reserve / (Goodwill)	(27.59)

There is a change in contingent consideration payable to the non-controlling interest of DDL.

Reconciliation of contingent consideration	(₹ in Millions) Amount
<b>Contingent consideration on March 31, 2018</b>	<b>159.00</b>
Change on account of change in consideration	12.00
Change on account of acquisition of additional stake*	(55.00)
<b>Contingent consideration on March 31, 2019</b>	<b>116.00</b>

\* Including amount shown in Non-controlling interest of ₹ 52.36 million.

### Note 43: Interests in Joint Venture

#### a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2020 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	(₹ in Millions) Carrying amount	
					March 31, 2020	March 31, 2019
Cybercom Datamatics Information Solutions Limited	India	50.50%	Joint venture	Equity	77.58	76.25



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### b) Summarised financial information for joint venture

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
<b>Summarised balance sheet</b>		
<b>Current assets</b>		
Cash and cash equivalents	8.02	3.67
Other assets	113.78	112.58
<b>Total current assets</b>	<b>121.80</b>	<b>116.25</b>
Property, Plant & equipment	38.55	40.29
Other assets	9.21	8.20
<b>Total non-current assets</b>	<b>47.76</b>	<b>48.49</b>
<b>Current liabilities</b>		
Financial liabilities	11.31	6.05
Other liabilities	0.50	0.73
<b>Total current liabilities</b>	<b>11.81</b>	<b>6.78</b>
<b>Non-current liabilities</b>		
Other liabilities	4.13	6.97
<b>Total non-current liabilities</b>	<b>4.13</b>	<b>6.97</b>
<b>Net assets</b>	<b>153.62</b>	<b>150.99</b>

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
<b>Reconciliation to carrying amounts</b>		
<b>Particulars</b>		
Opening net assets	150.99	133.20
Profit for the year	28.45	39.57
Other comprehensive income	(0.25)	0.11
Dividends paid including tax	(25.57)	(21.89)
<b>Closing net assets</b>	<b>153.62</b>	<b>150.99</b>
Group's share in %	50.50%	50.50%
Group's share in INR	77.58	76.25
<b>Carrying amount</b>	<b>77.58</b>	<b>76.25</b>

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
<b>Summarised statement of profit and loss</b>		
<b>Particulars</b>		
Revenue	79.96	105.19
Other Income	6.13	2.85
Depreciation and amortisation	(1.89)	(2.09)
Finance costs	(0.01)	(1.00)
Other expenses	(51.70)	(54.40)
Income tax expense	(8.43)	(10.98)
<b>Profit for the year</b>	<b>24.08</b>	<b>39.57</b>
Other comprehensive income	(0.25)	0.11
<b>Total comprehensive income</b>	<b>23.82</b>	<b>39.68</b>
Less: Relating to earlier year	-	21.89
<b>Profit attributable</b>	<b>23.82</b>	<b>17.79</b>
Group's share in %	50.50%	50.50%
Group's share in INR	12.03	8.98



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

<b>Note 44: Earnings per Share</b>		
<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
(a) Net Profit after taxation attributable to equity shareholders (₹ in Millions)	638.64	745.07
(b) Weighted average number of outstanding equity shares considered for Basic EPS	58,949,337	58,949,337
(c) Dilutive impact on Net Profit (₹ in Millions)	-	6.58
(d) Net Profit / (Loss) after taxation attributable to equity shareholders (₹ in Millions)	638.64	738.49
(Nominal value per share ₹ 5 each)		
(e) Earnings per share		
Basic earning per share (in ₹) (a/b)	10.83	12.64
Diluted earning per share (in ₹) (d/b)	10.83	12.53

### Note 45: Related party transactions

A As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company and its subsidiaries as defined in Ind AS- 24.

The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

Transactions and balances with its own subsidiaries are eliminated on consolidation.

<b>(i) (A) Joint Venture Company</b>	<b>(C) Relatives of Key Managerial Personnel and</b>
Cybercom Datamatics Information Solutions Limited	<b>Enterprise owned by Key Managerial Personnel</b>
	Mrs. Asha L. Kanodia
<b>(B) Key Managerial Personnel</b>	Mrs. Aneesha Dalmia
Dr. Lalit S. Kanodia, Chairman	Mrs. Priyadarshini Kanodia
Mr. Rahul L. Kanodia, Vice Chairman & CEO	Datamatics Business Solutions Limited
Mr. Sameer L. Kanodia, Director	Datamatics Infotech Services Private Limited
Ms. Divya Kumat, Company Secretary	
Mr. Sandeep Mantri, Chief Financial Officer	<b>(D) Holding Company</b>
	Delta Infosolutions Private Limited

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

(ii)		Details of transactions with the related parties stated in (i) above :										(₹ in Millions)	
Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		2018-19	2019-20	2018-19	2019-20
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19				
[A]	Transactions during the year												
i	Revenue from operations	-	-	-	-	-	-	5.81	5.57	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	5.81	5.57	-	-	-	-
ii	Expenses incurred by related parties	0.33	3.38	-	-	0.01	-			-	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.33	3.38	-	-	-	-	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	0.01	-			-	-	-	-
iii	Expenses incurred for related parties	0.54	-	-	-	-	-			0.40	-	-	-
	Datamatics Infotech Services Private Limited	-	-	-	-	-	-	-	0.40	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.54	-	-	-	-	-	-	-	-	-	-	-
iv	Legal and professional fees	-	-	-	-	-	-	0.43	0.31	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	0.43	0.31	-	-	-	-
v	Managerial remuneration*	-	-	-	-	34.73	26.41	-	-	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	10.65	8.05	-	-	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	13.29	10.55	-	-	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	10.79	7.81	-	-	-	-	-	-
vi	Salaries and allowances*	-	-	-	-	15.51	15.90	3.30	3.13	-	-	-	-
	Mrs. Priyadarshini R. Kanodia	-	-	-	-	-	-	3.30	3.13	-	-	-	-
	Ms. Divya Kumat	-	-	-	-	8.32	8.49	-	-	-	-	-	-
	Mr. Sandeep Mantri	-	-	-	-	7.19	7.41	-	-	-	-	-	-
vii	Commission	-	-	-	-	9.91	7.70	0.25	0.21	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	4.19	3.85	-	-	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	4.19	3.85	-	-	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	1.53	-	-	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.25	0.21	-	-	-	-

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
viii	<b>Board sitting fees</b>	-	-	-	-	0.14	0.19	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	0.14	0.19	-	-
ix	<b>Purchase of Property, plant and equipment</b>	-	-	-	-	-	0.78	-	-
	Mrs. Aneesha Dalmia	-	-	-	-	-	0.78	-	-
x	<b>Corporate guarantee fees</b>	-	1.00	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	1.00	-	-	-	-	-	-
xi	<b>Dividend Paid</b>	-	-	4.95	1.18	4.78	1.20	31.81	7.95
	Dr. Lalit S. Kanodia	-	-	3.48	0.81	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	1.47	0.37	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	3.31	0.83	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	1.47	0.37	-	-
	Delta Infosolutions Private Limited	-	-	-	-	-	-	31.81	7.95
xii	<b>Loans and advances refunded during the year</b>	-	0.01	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	0.01	-	-	-	-	-	-
xiii	<b>Loans and advances given during the year</b>	3.75	0.24	-	-	0.60	0.26	-	-
	Cybercom Datamatics Information Solutions Limited	3.75	0.24	-	-	-	-	-	-
	Datamatics Infotech Services Private Limited	-	-	-	-	0.60	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	0.26	-	-

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
[B]	<b>Balance as on March 31</b>	-	-	-	-	-	-	-	-
i	<b>Loans and advances receivable</b>	4.30	0.55	-	-	0.60	-	-	-
	Cybercom Datamatics Information Solutions Limited	4.30	0.55	-	-	-	-	-	-
	Datamatics Infotech Services Private Limited	-	-	-	-	0.60	-	-	-
ii	<b>Payables</b>	-	-	9.91	27.30	0.25	-	-	-
	Dr. Lalit S. Kanodia	-	-	4.19	21.95	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	4.19	3.85	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	1.53	1.50	-	-	-	-
	Mrs. Asha Kanodia	-	-	-	-	0.25	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	0.00	-	-	-
iii	<b>Receivables</b>	0.97	0.22	-	-	2.11	3.43	-	-
	Datamatics Business Solutions Limited	-	-	-	-	2.11	3.43	-	-
	Cybercom Datamatics Information Solutions Limited	0.97	0.22	-	-	-	-	-	-
iv	<b>Guarantees</b>	-	50.00	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	50.00	-	-	-	-	-	-

\* Above figures does not include gratuity, leave encashment, mediclaim and term life insurance as separate actuarial valuation / premium figures are not available.



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### Note 46: Leases

The Group adopted Ind AS 116 w.e.f. April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognising a right-of-use asset of ₹ 215.92 million and a corresponding lease liability of ₹ 272.96 million by adjusting retained earnings net of taxes of ₹ 55.01 million (including the impact of deferred tax created of ₹ 2.03 million) as at April 1, 2019. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. EBITDA and Profit before tax is increased by ₹ 140.26 million and ₹ 20.39 million respectively due to change in accounting standard for the year ended March 31, 2020. During the year, interest on lease liability charged ₹ 13.81 million, Depreciation on Right-to-use asset ₹ 106.06 million. Hence Lease liability as on March 31, 2020 is ₹ 218.55 million and Right-to-use asset as on March 31, 2020 is ₹ 172.85 million.

#### Non-cancellable operating leases

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 37. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

	(₹ in millions)	
	March 31, 2020	March 31, 2019
Within one year	-	125.17
Later than one year but not later than five years	-	178.62
Later than five years	-	-

#### Rental expense relating to operating leases

	(₹ in millions)	
	March 31, 2020	March 31, 2019
Total rental expense relating to operating leases	155.70	248.57

#### Notes:

- Future lease payments are determined on the basis of terms of the lease agreement.
- At the expiry of term of the agreement, the Group has an option either to return the leased asset or extend the term by giving a notice in writing.
- There are no sublease payments as well as no contingent rent.

### Note 47: Restricted Stock Unit Plan 2016

One of the subsidiary has granted "Restricted Stock Units" (RSU) under "LDL RSU PLAN 2016." The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the Company shall be the primary requirement of the vesting.

Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of ₹ 10 per option. The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant.

During the year, NIL amount (P.Y. ₹ 9.83 million) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages & Allowances and the same has been disclosed under Reserves and Surplus - ESOP reserve.

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 48: Events occurring after the reporting period

#### Dividend

Dividends paid during the year ended March 31, 2020 include an amount of ₹ 1 per equity share towards final dividend for the year ended March 31, 2019.

Dividends declared by the Group are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 14, 2020, the Board of Directors of the Company have not proposed any dividend in respect of the year ended March 31, 2020.

### Note 49: Contingent Liability and Commitments

	Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.	
		(₹ in Millions)
	<b>Contingent Liabilities to the extent not provided for:</b>	<b>March 31, 2020</b>
<b>(a) Claims against the Group not acknowledged as debt:</b>		<b>March 31, 2019</b>
(i) Income Tax matters	17.74	21.64
<b>(b) Details of guarantees outstanding as at:</b>		
(i) Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture	48.00	98.00
(ii) Guarantees given by banks	447.72	341.70
<b>(c) Capital and other commitments:</b>		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	4.96	5.93
(ii) Estimated amount payable under business development agreement to business consultant (USD 0.26 million)	19.35	17.70

### Note 50: Forward contracts in foreign currencies

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

		(₹ in Millions)
	<b>March 31, 2020</b>	<b>March 31, 2019</b>
<b>Particulars</b>		
Not later than one month	219.58	244.85
Later than one month and not later than three months	437.70	515.87
Later than three months and not later than one year	1,828.11	1,976.87
Later than one year	1,603.17	1,566.05
<b>Total</b>	<b>4,088.56</b>	<b>4,303.64</b>

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(₹ in Millions)

Foreign Currency	March 31, 2020			March 31, 2019		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	569	40.73	(93.94)	628	41.92	75.94
Euro	-	-	-	35	1.79	5.91
Sterling Pound	149	9.97	23.08	212	11.10	39.33
<b>Total</b>			<b>(70.86)</b>			<b>121.18</b>

Net loss on derivative instruments of ₹ 70.86 million (gain of ₹ 121.18 million in March 2019) recognised in Hedging Reserve as of March 31, 2020, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2022.

### Note 51: Revenue from contract with major customers

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2020 and March 31, 2019. While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:

(₹ in Millions)

Particulars	March 31, 2020	March 31, 2019
Balance at beginning of the year	44.13	62.51
Revenue recognised during the year	250.23	139.30
Invoices raised during the year	118.32	157.68
<b>Balance at the end of the year</b>	<b>176.04</b>	<b>44.13</b>

### Note 52: Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

(₹ in Millions)

	March 31, 2020	March 31, 2019
<b>I. Defined Contribution Plan</b>		
<b>Charge to the Statement of Profit and Loss based on contributions:</b>		
Employers contribution to provident fund	189.35	134.44
Employers contribution to other foreign defined contribution plans	80.33	85.59
Employers contribution to employees' state insurance	12.41	21.61
Employers contribution to labour welfare fund and others	0.28	0.26
<b>Included in contribution to provident fund and other funds (Refer Note No.31)</b>	<b>282.37</b>	<b>241.90</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### II. Defined benefit plan

#### i) Movement in Present Value of Obligation

(₹ in Millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present Value of Obligation as at the beginning*	163.44	129.13	90.15	83.45
Current service cost	28.87	23.26	34.81	28.79
Interest expense or cost	12.66	9.97	6.96	6.45
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	(0.17)	(0.93)	(0.03)	0.12
- change in financial assumptions	21.89	5.75	8.02	5.03
- experience variance (i.e. actual experience vs assumptions)	28.09	5.71	(12.08)	(0.43)
Past Service Cost	-	13.35	-	-
Benefits Paid	(40.50)	(18.50)	(25.04)	(33.26)
Acquisition adjustment	1.39	61.29	0.51	23.92
Present Value of Obligation as at the end	215.66	111.26	103.30	68.99

\* Opening balances of benefit obligations are excluding figures of Attune Infocom Private Limited which was deconsolidated during the year.

#### ii) Expenses recognised in the income statement and other comprehensive income

(₹ in Millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current service cost	28.87	23.63	34.81	29.46
Past service cost	-	17.00	-	-
Net interest cost on the net defined benefit liability	12.66	10.16	6.97	5.57
Actuarial (gains) / losses	-	-	(5.29)	8.54
Expenses recognised in Profit & Loss Account	41.53	10.38	36.49	26.23
Other Comprehensive Income -				
Actuarial (gains) / losses				
- change in demographic assumptions	(0.17)	-	-	-
- Change in financial assumptions	21.89	0.04	-	-
- Experience variance	28.09	10.53	-	-
Expenses recognised in OCI	49.81	7.03	-	-

#### iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

Particulars	Gratuity		Leave encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate (per annum)	5.40% - 7.60%	7.60% - 7.76%	5.40% - 7.60%	7.60% - 7.76%
Salary growth rate (per annum)	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%
Mortality Rate	IALM 12-14	IALM 06-08	IALM 12-14	IALM 06-08



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### iv) Sensitivity Analysis

(₹ in Millions)

Particulars	Gratuity			
	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	141.79	126.81	107.08	96.81
Discount rate (- / + 1%)	93.60	71.55	62.81	50.28
Salary growth rate (- / + 0.5%)	126.62	141.93	96.63	107.23
Salary growth rate (- / + 1%)	71.37	93.25	50.26	62.61
Attrition rate (- / + 0.5%)	40.11	38.77	32.66	33.71
Attrition rate (- / + 0.25%)	176.66	175.58	123.82	124.59
Mortality rate (- / + 1%)	215.29	215.63	157.21	157.57

### Sensitivity Analysis

(₹ in Millions)

Particulars	Leave encashment			
	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	-	-	52.09	40.54
Discount rate (- / + 1%)	113.28	94.92	60.01	49.14
Salary growth rate (- / + 0.5%)	-	-	40.34	52.25
Salary growth rate (- / + 1%)	94.67	113.43	48.93	60.15
Attrition rate (1 / + 0.50%)	70.31	76.26	64.07	70.41
Attrition rate (1 / + 0.25%)	28.96	29.80	31.52	32.85
Mortality rate (- / + 1%)	103.26	103.33	99.76	99.98

### v) Maturity profile of Defined Benefit obligation

(₹ in Millions)

Expected Cash flow over the next (valued on undiscounted basis)	Gratuity		Leave encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1 Year	23.84	21.53	23.84	14.20
2 to 5 years	41.40	40.36	31.87	26.75
6 to 10 years	69.95	62.41	28.12	30.17
More than 10 years	457.48	387.97	147.82	190.91

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**Note 53: Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2020**

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Global Services Limited	39%	4,914.71	48%	307.40	(82%)	(85.95)	30%	221.45
<b>Subsidiaries</b>								
<b>Indian</b>								
Cignex Datamatics Technologies Limited	3%	376.03	9%	55.58	(26%)	(26.99)	4%	28.59
Lumina Datamatics Limited	17%	2,136.97	7%	47.19	(57%)	(59.20)	(2%)	(12.01)
Datamatics Robotics Software Limited	(0%)	(52.55)	(8%)	(54.22)	(1%)	(0.80)	(7%)	(55.03)
LD Publishing & eRetail Limited	0%	0.47	0%	-	0%	-	0%	-
LDR eRetail Limited	0%	18.06	0%	1.45	(0%)	(0.03)	0%	1.41
Datamatics Digital Limited	3%	357.50	17%	107.79	(7%)	(7.61)	13%	100.18
Datamatics Staffing Services Limited	0%	11.40	0%	0.80	0%	0.16	0%	0.96
RJ Globus Solutions Private Limited	0%	0.09	(0%)	(0.00)	(1%)	(0.57)	(0%)	(0.57)
<b>Foreign</b>								
Datamatics Global Services Inc.	4%	538.92	(1%)	(8.86)	44%	46.12	5%	37.26
Datamatics Robotics Software Inc.	0%	0.11	0%	0.37	0%	0.00	0%	0.37
Datamatics Infotech Limited	2%	252.88	13%	81.62	9%	9.78	12%	91.41
Datamatics Global Services Pty. Limited	0%	17.09	0%	1.24	(1%)	(1.43)	(0%)	(0.19)
Datamatics Global Technologies Limited	9%	1,104.60	0%	0.05	90%	94.25	13%	94.30
Datamatics Global Technologies AG	0%	0.65	0%	0.03	0%	0.08	0%	0.10
Techjini Inc	0%	27.59	1%	5.56	4%	4.36	1%	9.92
RJ Globus Solutions Inc	0%	0.71	2%	13.05	25%	26.12	5%	39.17
RJ Globus Inc	0%	0.70	(0%)	(0.02)	(0%)	(0.09)	(0%)	(0.12)
Cignex Datamatics Corporation	(1%)	(71.28)	0%	-	0%	-	0%	-
Cignex Datamatics Inc.	3%	366.03	7%	47.38	10%	10.90	8%	58.28
Cignex Datamatics Pte. Limited	0%	12.48	0%	1.13	0%	0.06	0%	1.19
Cignex Datamatics GmbH	0%	2.41	0%	0.23	0%	0.03	0%	0.26
Duo Consulting, Inc.	0%	39.74	(0%)	(1.75)	0%	0.15	(0%)	(1.59)
Datamatics Global Services FZ LLC	1%	128.95	0%	2.47	6%	6.48	1%	8.96
Datamatics Global Services BV	0%	1.94	(0%)	(0.13)	0%	0.08	(0%)	(0.06)
Datamatics Global Services Corp.	0%	25.23	(0%)	(0.87)	4%	4.40	0%	3.52
Lumina Datamatics Inc.	20%	2,528.12	7%	41.75	26%	27.32	9%	69.07
Lumina Datamatics GmbH	0%	18.41	0%	0.51	15%	15.35	2%	15.86
Lumina Datamatics Assessment and Analytics, LLC	(0%)	(5.25)	(1%)	(8.03)	40%	41.28	4%	33.24
<b>Total</b>	<b>100%</b>	<b>12,752.71</b>	<b>100%</b>	<b>641.72</b>	<b>100%</b>	<b>104.25</b>	<b>100%</b>	<b>745.93</b>
Adjustments arising out of consolidation		(5,809.70)		(35.47)		(53.96)		(89.39)

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
<b>Share of Profit in Joint Venture</b>								
<b>Indian Joint Venture</b>								
Cybercom Datamatics Information Solutions Limited		-		12.03		-		12.03
<b>Non Controlling Interest</b>								
<b>Indian Subsidiaries</b>								
Datamatics Staffing Services Limited		5.59		(0.39)		0.08		(0.31)
<b>Foreign Subsidiaries</b>								
Lumina Datamatics Assessment and Analytics, LLC		(25.05)		2.81		-		2.81
RJ Globus Solutions Inc		0.19		(1.63)		3.18		1.55
Cignex Datamatics Corporation		248.30		(34.81)		(17.75)		(52.56)
Duo Consulting, Inc.		(8.87)		54.38		-		54.38
<b>Total</b>		<b>(5,589.54)</b>		<b>(3.08)</b>		<b>(68.45)</b>		<b>(71.49)</b>
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		<b>7,163.17</b>		<b>638.64</b>		<b>35.80</b>		<b>674.44</b>

Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2019

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
<b>Datamatics Global Services Limited</b>	39%	4,765.59	34%	292.36	57%	25.42	35%	317.78
<b>Subsidiaries</b>								
<b>Indian</b>								
Cignex Datamatics Technologies Limited	3%	347.81	6%	48.86	(3)%	(1.34)	5%	47.52
Lumina Datamatics Limited	18%	2,112.45	12%	101.94	13%	5.55	12%	107.49
Datamatics Robotics Software Limited	0%	2.47	(1)%	(6.15)	(3)%	(1.38)	(1)%	(7.53)
LD Publishing & eRetail Limited	0%	0.47	(0)%	(0.03)	0%	-	(0)%	(0.03)
LDR eRetail Limited	0%	16.65	0%	1.01	0%	0.01	0%	1.02
Datamatics Digital Limited	2%	257.32	11%	94.67	(2)%	(1.09)	10%	93.58
Datamatics Staffing Services Limited	0%	10.44	0%	0.40	(0)%	(0.08)	0%	0.32
RJ Globus Solutions Private Limited	0%	0.09	(0)%	(0.01)	0%	-	(0)%	(0.01)
Attune Infocom Private Limited	0%	12.56	0%	2.82	0%	0.17	0%	2.99
<b>Datamatics Global Services Inc.</b>	4%	538.92	14%	122.16	2%	1.05	14%	123.21
<b>Datamatics Robotics Software Inc.</b>	(0)%	(0.27)	(0)%	(0.97)	(0)%	(0.01)	(0)%	(0.98)

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Infotech Limited	1%	161.47	5%	46.63	2%	0.77	5%	47.40
Datamatics Global Services Pty. Limited	0%	16.86	1%	6.56	1%	0.23	1%	6.79
Datamatics Global Technologies Limited	8%	1,010.29	0%	1.03	0%	0.01	0%	1.04
Datamatics Global Technologies AG	0%	0.55	(0)%	(1.05)	(0)%	(0.02)	(0)%	(1.07)
Techjini Inc	0%	19.79	1%	4.51	2%	0.87	1%	5.38
RJ Globus Solutions Inc	(0)%	(0.20)	3%	23.20	0%	-	3%	23.20
RJ Globus Inc	0%	0.67	(0)%	(0.02)	0%	-	(0)%	(0.02)
Cignex Datamatics Corporation	(0)%	(43.48)	(1)%	(9.22)	0%	-	(1)%	(9.22)
Cignex Datamatics Inc.	2%	288.50	11%	95.01	(110)%	(48.79)	5%	46.22
Cignex Datamatics Pte. Limited	0%	12.12	0%	2.82	0%	-	0%	2.82
Cignex Datamatics UK Limited	(0)%	(1.37)	(0)%	(0.23)	0%	-	(0)%	(0.23)
Cignex Datamatics GmbH	0%	2.02	0%	0.44	0%	-	0%	0.44
Duo Consulting, Inc.	0%	44.42	0%	3.84	0%	-	0%	3.84
Datamatics Global Services FZ LLC	1%	115.57	(1)%	(6.86)	(0)%	(0.05)	(0)%	(6.91)
Datamatics Global Services Corp.	0%	22.92	(0)%	(1.06)	0%	-	(0)%	(1.06)
Lumina Datamatics Inc.	18%	2,229.86	6%	48.45	142%	62.92	12%	111.37
Lumina Datamatics GmbH	0%	16.62	0%	0.69	0%	-	0%	0.69
Lumina Datamatics Assessment and Analytics, LLC	1%	107.88	(0)%	(3.69)	0%	-	(0)%	(3.69)
<b>Total</b>	<b>100%</b>	<b>12,068.99</b>	<b>100%</b>	<b>868.11</b>	<b>100%</b>	<b>44.24</b>	<b>100%</b>	<b>912.35</b>
Adjustments arising out of consolidation		(5,669.43)		(32.35)		162.38		130.03
<b>Share of Profit in Joint Venture</b>								
<b>Indian Joint Venture</b>								
Cybercom Datamatics Information Solutions Limited	-	-		8.98		-		8.98
<b>Non Controlling Interest</b>								
<b>Indian Subsidiaries</b>								
Lumina Datamatics Limited		28.95		(3.18)		(1.37)		(4.55)
Attune Infocom Private Limited		16.69		(1.38)		-		(1.38)
Datamatics Digital Limited		52.36		(28.42)		0.08		(28.34)
Datamatics Staffing Services Limited		5.16		(0.19)		0.04		(0.15)
<b>Foreign Subsidiaries</b>								
Lumina Datamatics Assessment and Analytics, LLC		17.20		1.29		-		1.29
RJ Globus Solutions Inc		(0.06)		(12.38)		-		(12.38)
Cignex Datamatics Corporation		229.65		(54.12)		19.09		(35.03)
Duo Consulting, Inc.		43.72		(1.29)		-		(1.29)
<b>Total</b>		<b>(5,275.76)</b>		<b>(123.04)</b>		<b>180.22</b>		<b>57.18</b>
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		<b>6,793.23</b>		<b>745.07</b>		<b>224.46</b>		<b>969.53</b>



## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### Note 54: Corporate Social Responsibility

In view of the amendment in the section 135 of the Companies Act, 2013 vide The Companies Amendment Act, 2019, the Group has made provision towards unspent CSR obligation amounting to ₹ 10.34 million for the financial year 2018-19 and has also made provision of ₹ 10.33 million being the estimated amount of CSR obligation for the year ended March 31, 2020.

### Note 55: Impact of COVID-19

The Group and its joint venture entity have assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, unbilled revenues, goodwill, intangibles, investments and other assets / liabilities. Based on the current indicators of economic conditions, the Group and its joint venture entity 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 consolidated financial results and the Group and its joint venture entity will continue to closely monitor any material changes to the economic conditions in the future.

### Note 56: Previous Year Figures

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

As per our attached report of even date

For **M L BHUWANIA AND CO LLP**

Chartered Accountants

FRN: 101484W/W100197

**Ashishkumar Bairagra**

Partner

Membership No. 109931

Place : Mumbai

Dated : May 14, 2020

For and on Behalf of the Board

**R. K. Saraswat**

Director

DIN 00015095

**Dr. Lalit S. Kanodia**

Chairman

DIN 00008050

**Rahul L. Kanodia**

Vice Chairman & CEO

DIN 00075801

**Divya Kumat**

EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**

Chief Financial Officer



# INDEPENDENT AUDITOR'S REPORT

To,

The Members of DATAMATICS GLOBAL SERVICES LIMITED

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 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 standalone 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>A. Revenue recognition in respect of fixed price contract</b> The Company inter alia engages in fixed price contracts, wherein revenue is recognized using the percentage of completion method based on the company's estimate of contract cost. We identified revenue recognition of fixed price contract as a Key Audit Matter since: <ul style="list-style-type: none"> <li>accuracy and existence of revenues and onerous obligations, in respect of fixed price contracts, involves critical estimates.</li> <li>these estimates have high inherent uncertainty as it requires determination of the progress of the contract, costs incurred till date and future costs required to complete the remaining contract and performance obligations.</li> <li>estimate of costs is a critical estimate to determine the revenues and liability for a contract and these contracts may involve onerous obligations which require critical assessment of future costs.</li> <li>at the year-end significant amount of unbilled revenue is recognized on the balance sheet date.</li> </ul>	Our audit procedures included discussion with the management to obtain an understanding of the systems, processes and controls implemented by the Company for recording and computing the costs, revenue and other estimates associated with such contracts. Our audit approach was a combination of test of internal controls and substantive procedures which included the following: <ul style="list-style-type: none"> <li>we evaluated the design of internal controls relating to recording of costs incurred and estimate of costs required to complete the performance obligations.</li> <li>we tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of costs incurred.</li> <li>we selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimate of costs, through the inspection of performance of these controls.</li> <li>we selected a sample of contracts and performed a retrospective review of costs incurred with estimate of costs to identify significant variations and verify whether those variations have been considered in estimating the future costs required to complete the contract.</li> <li>we reviewed a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations.</li> <li>we performed analytical procedures and test of details for reasonableness of incurred and estimated costs.</li> </ul>



Key Audit Matter	Auditor's Response
<b>B. Transactions with Related Parties</b> <p>The company has material related party transactions during the year. Related party transactions impose limitations on the auditor's ability to obtain audit evidence that all other aspects of related party transactions (other than price) are equivalent to those of a similar arm's length transaction. Further the nature and complexity of such transactions and the involvement of management with respect to the roles and responsibilities of the entities involved in the transactions, makes it subjective.</p>	<p>Our audit procedures on transactions with related parties included the following:</p> <ul style="list-style-type: none"> <li>• we obtained a comfort letter issued by the independent professional who is in charge of Transfer Pricing matters of the Company which states that the transactions are conducted at arm's length price.</li> <li>• we also reviewed the income tax assessments of earlier years to corroborate whether the methodology adopted by the Company has been accepted by the income tax authorities in previous years.</li> <li>• we also compared the pricing model and other terms of the current agreements with agreements of the previous years.</li> </ul>

### 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 standalone financial statements and our Auditors' Report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Emphasis of Matter

Attention is drawn to Note No. 41 to the standalone financial statements; the Company has an investment of ₹ 646.30 million in two wholly owned subsidiaries and has also extended loans and advances of ₹ 13.14 million to these subsidiaries as on March 31, 2020. The total net worth of these subsidiaries as on March 31, 2020 is ₹ 539.57 million which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future hence, no provision for diminution in the value of investment has been considered necessary by the management.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the 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 standalone financial statements have been kept by the Company so far as it appears from our examination of those books.

- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 44 to the standalone financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- (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:

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

Ashishkumar Bairagra  
**Partner**  
Membership No. 109931  
UDIN: 20109931AAAAO8406

Place: Mumbai  
Date: May 14, 2020

# ANNEXURE A

## TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the standalone financial statements of the company for the year ended March 31, 2020, we report the following:

- 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. In respect of immovable properties, taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are 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. Hence 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 in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the companies Act, 2013.
- v. 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, and therefore clause 3(v) of the order is not applicable.
- vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.
- vii. (a) 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, custom duty, excise duty, value added tax, cess, goods and services tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 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 sales tax, service tax, custom duty, excise duty, value added tax, cess and goods and services tax, which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of income tax are as under:

Name of the Statute	Nature of the dues	Financial Year to which it relates	Forum where the dispute is pending	₹ in million
Income Tax Act, 1961	Income Tax dues	2011-12	Assistant Commissioner of Income Tax	17.49

- 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 loans or borrowings 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 explanations provided 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 provided to us, 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 Act.
- xii. According to the information and explanations provided to us, the nature of the activities of the Company does not attract any special statue applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanations provided to us, and based on our examination of the records of the Company, transactions with the related parties are in

compliance with Section 177 and Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone 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.

xvi. According to information and explanations provided to us, the Company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

Ashishkumar Bairagra  
Partner

Membership No. 109931  
UDIN: 20109931AAAAO8406

Place: Mumbai  
Date: May 14, 2020





## 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 standalone 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 GLOBAL SERVICES LIMITED ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone 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 audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN: 101484W/W100197

#### Ashishkumar Bairagra

Partner  
Membership No. 109931  
UDIN: 20109931AAAAA08406

Place: Mumbai  
Date: May 14, 2020



# Standalone Balance Sheet

as at March 31, 2020

(₹ in millions)

Particulars	Note	March 31, 2020	March 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	898.35	907.01
Capital work-in-progress	3	4.09	8.95
Goodwill	4	99.24	99.24
Other intangible assets	4	53.09	85.07
Right-to-use assets	4	12.92	-
Financial assets			
i. Investments	5	2,503.25	2,496.09
ii. Loans	6	0.55	0.29
iii. Other financial assets	7	60.18	87.15
Deferred tax assets	8 (c)	260.04	232.42
Non-current tax assets (net)	9	111.28	115.42
Other non-current assets	10	4.00	0.83
<b>Total non-current assets</b>		<b>4,006.99</b>	<b>4,032.47</b>
<b>Current assets</b>			
Financial assets			
i. Investments	11	19.29	161.84
ii. Trade receivables	12	1,104.13	916.20
iii. Cash and cash equivalents	13	397.53	65.33
iv. Bank balances other than (iii) above	14	38.97	37.84
v. Loans	15	129.94	0.31
vi. Other financial assets	16	504.26	506.89
Current tax assets (net)	17	46.89	17.49
Other current assets	18	97.63	61.38
<b>Total current assets</b>		<b>2,338.64</b>	<b>1,767.28</b>
<b>Total Assets</b>		<b>6,345.63</b>	<b>5,799.75</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19(a)	294.75	294.75
Other equity	19(b)	4,619.97	4,470.84
<b>Total equity</b>		<b>4,914.72</b>	<b>4,765.59</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Other financial liabilities	20	33.80	18.04
Provisions	21	140.75	122.76
<b>Total non-current liabilities</b>		<b>174.55</b>	<b>140.80</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	22	487.50	262.50
ii. Trade payables	23		
Dues of Micro enterprises and small enterprises		5.62	0.13
Dues other than Micro enterprises and small enterprises		490.17	386.85
iii. Other financial liabilities	24	28.91	130.57
iv. Lease liabilities	25	15.66	-
Provisions	26	31.33	21.91
Current tax liabilities (net)	27	5.92	-
Other current liabilities	28	191.25	91.40
<b>Total current liabilities</b>		<b>1,256.36</b>	<b>893.36</b>
<b>Total liabilities</b>		<b>1,430.91</b>	<b>1,034.16</b>
<b>Total Equity and Liabilities</b>		<b>6,345.63</b>	<b>5,799.75</b>

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

For and on Behalf of the Board

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

Place : Mumbai  
Dated : May 14, 2020

**Divya Kumat**  
EVP, Chief Legal Officer  
& Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



# Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in millions)			
Particulars	Note	March 31, 2020	March 31, 2019
Revenue from Operations	29	4,158.35	3,896.72
Other Income	30	143.36	66.49
<b>Total income</b>		<b>4,301.71</b>	<b>3,963.21</b>
<b>Expenses</b>			
Purchase of Products and Licenses	31	99.73	36.62
Employee Benefit Expenses	32	2,660.05	2,332.11
Finance Costs	33	24.35	34.50
Depreciation and Amortisation Expenses	34	129.15	120.32
Other Expenses	35	969.40	1,047.31
<b>Total expenses</b>		<b>3,882.68</b>	<b>3,570.86</b>
<b>Profit before tax</b>		<b>419.03</b>	<b>392.35</b>
Tax expense			
- Current tax	8(a)	102.91	102.44
- Deferred tax	8(a)	8.72	(2.45)
<b>Total tax expense</b>		<b>111.63</b>	<b>99.99</b>
<b>Profit for the year</b>		<b>307.40</b>	<b>292.36</b>

## Statement of other comprehensive income (OCI) for the year ended March 31, 2020

(₹ in millions)			
Particulars	Note	March 31, 2020	March 31, 2019
<b>Items that will be reclassified to profit or loss</b>			
Deferred gains/ losses on cash flow hedge		(87.12)	68.97
Tax relating to above		29.14	(42.68)
		<b>(57.98)</b>	<b>26.29</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains and losses		(26.84)	(3.97)
Changes in fair value of FVOCI instruments		(7.17)	1.64
Tax relating to above		6.03	1.47
		<b>(27.98)</b>	<b>(0.86)</b>
<b>OCI for the year</b>		<b>(85.96)</b>	<b>25.43</b>
Total comprehensive income for the year		<b>221.44</b>	<b>317.79</b>
<b>Earnings per Equity Share (of ₹ 5 each)</b>			
Basic and Diluted	42	5.21	4.96

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

For and on Behalf of the Board

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**Divya Kumat**  
EVP, Chief Legal Officer  
& Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

Place : Mumbai  
Dated : May 14, 2020

# Statement of changes in equity

for the year ended March 31, 2020

A. Equity share capital									
Particulars									
As at March 31, 2018									
Changes in equity share capital									
As at March 31, 2019									
Changes in equity share capital									
As at March 31, 2020									
(₹ in millions)									
294.75									
-									
294.75									
-									
294.75									
B. Other equity									
(₹ in millions)									
Total other equity									
Other comprehensive income									
Equity investments									
Actuarial gains and losses									
Cash flow hedging reserve									
Capital redemption reserve									
Capital reserve									
General reserve									
Retained earnings									
Securities premium									
As at March 31, 2018									
Profit for the year									
Other comprehensive income									
Dividends paid (including taxes of ₹ 9.85 million)									
As at March 31, 2019									
Profit for the year									
Adjustment for Ind AS 116 (Refer Note No. 40)									
Other comprehensive income									
Dividends paid (including taxes of ₹ 9.92 million )									
As at March 31, 2020									
The accompanying notes forming an integral part of the standalone financial statements									

As per our attached report of even date

**For M L BHUWANIA AND CO LLP**

Chartered Accountants

FRN: 101484W/W100197

For and on behalf of the Board

**Ashishkumar Bairagra**

Partner

Membership No. 109931

**R. K. Saraswat**

Director

DIN 00015095

**Dr. Lalit S. Kanodia**

Chairman

DIN 00008050

**Rahul L. Kanodia**

Vice Chairman &amp; CEO

DIN 00075801

**Sandeep Mantri**

Place : Mumbai

Dated : May 14, 2020

**Divya Kumrat**

EVP, Chief Legal Officer

and Company Secretary

**Sandeep Mantri**

Chief Financial Officer



# Standalone Cash flow statement

for the year ended March 31, 2020

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	419.03	392.35
<b>Adjustments for :</b>		
Depreciation and amortisation expense	107.58	120.32
Provision for doubtful debts, advances	31.84	11.04
Provision no longer required written back	2.95	(1.62)
Lease Rent Ind AS 116 impact (net)	(1.88)	-
Unrealised foreign exchange (gain) / loss	(18.59)	7.82
(Profit) / loss on sale fixed assets (net)	(0.45)	0.03
Interest expense	17.82	31.19
Unrealised gain on fair value of financial assets	(8.72)	(26.57)
Profit on sale of investments	(18.96)	(7.80)
Dividend income	(11.22)	(0.49)
Interest income	(8.23)	(0.68)
<b>Operating profit before working capital changes</b>	<b>511.17</b>	<b>525.59</b>
<b>Adjustments for :</b>		
(Increase) / decrease in trade receivables	(187.77)	1.56
(Increase) / decrease in loans	(129.89)	2.48
(Increase) in other financial and non-financial assets	(66.76)	(178.37)
Increase in trade payables	98.58	71.42
Increase in other financial and non-financial liabilities	100.55	60.50
<b>Cash generated from operations</b>	<b>325.88</b>	<b>483.18</b>
Direct taxes paid (net)	(122.25)	(120.95)
<b>Net cash flow from operating activities (A)</b>	<b>203.63</b>	<b>362.23</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(62.85)	(56.00)
Sale of fixed assets	1.22	5.30
Payment towards acquisition of subsidiary	(109.11)	(55.00)
Sale of non-current investments	-	12.38
Investment in preference shares in subsidiaries	-	18.33
(Purchase) / sale of current investments (net)	149.00	(44.05)
Dividend received from others	0.51	0.49
Dividend received from joint venture	10.71	-
Interest received	0.09	0.85
<b>Net cash flow used in investing activities (B)</b>	<b>(10.43)</b>	<b>(117.70)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (repayment) from / of short-term borrowings	225.00	(201.43)
Dividend paid	(68.87)	(24.61)
Interest paid	(17.13)	(31.19)
<b>Net cash flow from / (used in) financing activities (C)</b>	<b>139.00</b>	<b>(257.23)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>332.20</b>	<b>(12.70)</b>
Cash and cash equivalents at the beginning of the year	65.33	78.03
<b>Net cash and cash equivalents at the end of the year (Refer Note No.13)</b>	<b>397.53</b>	<b>65.33</b>

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

For and on Behalf of the Board

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

Place : Mumbai  
Dated : May 14, 2020

**Divya Kumat**  
EVP, Chief Legal Officer  
& Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Notes forming part of the Standalone Financial Statements

as at March 31, 2020

## Note 1: General Information

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Company was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Company converted itself from a Private Limited Company into a Public Limited Company and the name of the Company was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Company was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Company is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Company provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

## Note 2: Significant Accounting Policies

### a) Basis of Preparation of Financial Statements:

#### i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The standalone financial statements were approved by the Company's Board of Directors and authorised for issue on May 14, 2020.

#### 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

#### iii) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including

bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

#### iv) Ind AS 116, Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Refer Note 40 for further details.

#### v) Appendix C to Ind AS 12, Uncertainty over Income tax treatment

The Ministry of Corporate Affairs ("MCA") has notified the companies (Indian Accounting Standards) Amendment Rules, 2019 Containing Appendix C to Ind AS 12, uncertainty over Income tax treatments which clarifies the application and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

#### vi) Amendment to Ind AS 19, Employee Benefits

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Any reduction in a surplus, even if that surplus was not previously recognised because of impact of the assets ceiling. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

#### b) Use of Estimates

The preparation of financial statements in conformity with



# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

## c) Foreign currency translation

### i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

### ii) Transactions and balances

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in the Statement of Profit and Loss in the year in which it arises.

## d) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue from subsidiaries is recognised based on transaction price of services which is at arm's length.

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.

## e) Income tax

Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

### Current income taxes

The current tax expense include income tax expense payable by the company in India. Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in same tax jurisdictions.

### Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized 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.



# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## f) Leases

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.

Refer note 2 (f) - Significant accounting policies - Leases in the annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

## g) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

## h) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## j) Investments and other financial assets

### i) Classification

The company classifies its financial assets in the following measurement categories:

\* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

\* those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

### ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

\* Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

\* Impairment of investment in subsidiary: The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently, when there is indication for impairment. If the recoverable amount is less than carrying amount, the impairment loss is accounted for.

\* Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

\* 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.

## iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## iv) Derecognition of financial assets

A financial asset is derecognised only when

\* The company has transferred the rights to receive cash flows from the financial asset or

\* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of

the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## v) Income recognition

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

## k) Derivatives and hedging activities

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The Company does not use the forward contract for speculative purposes. The Company designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

hedging instrument recognised in Other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

## l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## m) Property, Plant and Equipment

Property, Plant and Equipment are valued at cost, except for certain Property, Plant and Equipment which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

### Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

## n) Intangible assets

### i) Goodwill

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

### ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete acquired in a business combination are recognised at fair value

at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

### iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

### iv) Other intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

### v) Amortisation methods and periods

The company amortises intangible assets with a finite useful life using the straight-line method as following:

Particulars	Useful Life
Computer Software	3 years
Non-Compete Fees	5 years
Copy Rights	3 years
Trade Mark	3 years
Other Intangible assets	3 years

### o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

### p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

### q) **Borrowing costs**

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

### r) **Provision, Contingent Liabilities and Contingent Assets**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.

### s) **Employee benefits**

#### i) **Defined Contribution Plan**

Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred.

#### ii) **Defined Benefit Plan**

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method with actuarial valuation being carried out as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long-term compensated absences are provided for based on actuarial valuation.

#### iii) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

### t) **Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### u) **Earnings per share**

In determining Earnings per Share, the Company considers the net profit attributable to company's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

### v) **Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA"), notifies new standard or amendments to existing standards. There is no such notification which would have been applicable from April 1, 2020.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 3 - Property, plant and equipment

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
(₹ in millions)													
Carrying cost As at March 31, 2018	302.85	270.30	181.09	4.57	56.82	18.46	10.68	102.74	23.12	31.66	79.54	1,081.83	10.32
Additions	-	-	0.37	-	4.46	2.43	1.58	20.47	0.44	0.43	1.87	32.05	-
Disposals	-	-	-	-	(0.01)	(1.41)	-	(3.55)	-	(0.05)	-	(5.02)	(1.37)
Carrying cost As at March 31, 2019	302.85	270.30	181.46	4.57	61.27	19.48	12.26	119.66	23.56	32.04	81.41	1,108.86	8.95
Additions	-	-	8.74	-	1.85	7.52	1.59	24.21	3.92	0.31	-	48.14	3.33
Disposals	-	-	(0.02)	(0.15)	-	(1.48)	(0.12)	(0.16)	-	-	-	(1.93)	(8.20)
Carrying cost As at March 31, 2020	302.85	270.30	190.18	4.43	63.12	25.52	13.72	143.71	27.48	32.35	81.41	1,155.07	4.09

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
(₹ in millions)													
Accumulated depreciation As at March 31, 2018	-	9.36	11.95	1.33	20.12	6.78	5.76	56.10	7.54	11.08	6.93	136.95	-
Depreciation charge during the year	-	4.68	1.63	0.67	7.45	2.71	1.26	27.64	9.91	6.10	4.42	66.47	-
Disposals	-	-	-	-	(0.01)	(0.65)	-	(0.85)	-	(0.06)	-	(1.57)	-
Accumulated depreciation As at March 31, 2019	-	14.04	13.58	2.00	27.56	8.84	7.02	82.89	17.45	17.12	11.35	201.85	-
Depreciation charge during the year	-	4.61	3.85	0.51	6.72	2.76	1.10	23.45	2.93	5.64	4.46	56.02	-
Disposals	-	-	-	(0.07)	-	(0.97)	(0.00)	(0.12)	-	-	-	(1.16)	-
Accumulated depreciation As at March 31, 2020	-	18.65	17.43	2.44	34.28	10.63	8.12	106.22	20.38	22.76	15.81	256.72	-
Net carrying amount as at March 31, 2020	302.85	251.65	172.75	1.99	28.84	14.89	5.60	37.49	7.10	9.59	65.60	898.35	4.09
Net carrying amount as at March 31, 2019	302.85	256.26	167.88	2.57	33.71	10.64	5.24	36.77	6.11	14.92	70.06	907.01	8.95





## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 4 - Intangible assets, Goodwill and Right-to-use assets

(₹ in millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill	Right to Use Assets
<b>Carrying cost As at March 31, 2018</b>	52.81	107.65	29.66	8.35	0.02	198.49	99.24	-
Additions	-	23.91	-	-	1.41	25.32	-	-
Disposals	-	(1.58)	-	-	(0.50)	(2.08)	-	-
<b>Carrying cost As at March 31, 2019</b>	52.81	129.98	29.66	8.35	0.93	221.73	99.24	-
Additions	0.81	18.04	-	-	0.73	19.58	-	34.49
Disposals	-	-	-	-	-	-	-	-
<b>Carrying cost As at March 31, 2020</b>	53.62	148.02	29.66	8.35	1.66	241.31	99.24	34.49

(₹ in millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill	Right to Use Assets
<b>Accumulated amortisation and impairment As at March 31, 2018</b>	-	63.30	15.43	4.29	-	83.02	-	-
Amortisation charge during the year	17.59	27.45	6.70	1.87	0.24	53.85	-	-
Disposals	-	(0.10)	-	-	(0.11)	(0.21)	-	-
<b>Accumulated amortisation and impairment As at March 31, 2019</b>	17.59	90.65	22.13	6.16	0.13	136.66	-	-
Amortisation charge during the year	17.59	24.83	6.72	1.88	0.53	51.56	-	21.57
Disposals	-	-	-	-	-	-	-	-
<b>Accumulated amortisation and impairment As at March 31, 2020</b>	35.19	115.48	28.85	8.04	0.66	188.22	-	21.57
<b>Net carrying amount as at March 31, 2020</b>	18.43	32.54	0.81	0.31	1.00	53.09	99.24	12.92
<b>Net carrying amount as at March 31, 2019</b>	35.19	39.33	7.53	2.21	0.81	85.07	99.24	-



# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 5 - Investments (Non-current)

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (at Fair Value through OCI) (FVOCI)</b>		
18,234 (P.Y. 18,234) fully paid Equity Shares of ₹ 2 each of Wipro Limited	3.58	4.65
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.02	0.09
800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.23	0.54
8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	1.26	2.13
38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	6.16	7.67
5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	1.90	3.89
1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	1.45	2.49
900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.03	0.04
35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.08	0.39
<b>Investment in equity instruments (fully paid-up)</b>		
<b>In subsidiaries - Wholly Owned - Unquoted (at cost)</b>		
1,000 (P.Y. 1,000) no par value common stock in Datamatics Global Services Inc.	644.04	644.04
20,000 (P.Y. 20,000) equity shares of Datamatics Infotech Limited of GBP 1 each	1.71	1.71
50,000 (P.Y. 50,000) equity shares of Datamatics Global Technologies AG of CHF 1 each	2.26	2.26
1,000,000 (P.Y. 1,000,000) equity shares of Datamatics Global Technologies Limited of USD 1 each	46.05	46.05
50,000 (P.Y. 50,000) equity shares of Datamatics Global Services Pty Limited of AUD 1 each	1.56	1.56
10,028,655 (P.Y. Nil) equity shares of Lumina Datamatics Limited of ₹ 10 each	907.60	-
50 (P.Y. 50) equity shares of Datamatics Global Services FZ - LLC of AED 1,000 each	0.86	0.86
50,000 (P.Y. 50,000) equity shares of LD Publishing & eRetail Limited of ₹ 10 each	0.50	0.50
5,500,000 (P.Y. Nil) fully paid equity shares of Datamatics Digital Limited of ₹ 1 each	555.11	-
<b>In Subsidiaries - Others- Unquoted (at cost)</b>		
Nil (P.Y. 10,028,655) equity shares of Lumina Datamatics Limited of ₹ 10 each	-	907.60
Nil (P.Y. 3,909,996) fully paid equity shares of Datamatics Digital Limited of ₹ 1 each	-	562.00
<b>In Joint venture - Others- Unquoted (at cost)</b>		
428,400 (P.Y. 428,400) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	7.94	7.94
<b>Investment in preference shares</b>		
<b>Unquoted (at FVTPL)</b>		
<b>In subsidiaries - Wholly Owned</b>		
12,350,000 (P.Y. 12,350,000) fully paid Series II & III 8% Non Cumulative Redeemable Preference shares of Datamatics Global Technologies Limited of USD 1 each	166.35	134.34
27,670,856 (P.Y. 27,670,856) 9% Redeemable Preference Shares of Lumina Datamatics Limited of ₹ 10 each	154.56	165.34
<b>Total</b>	<b>2,503.25</b>	<b>2,496.09</b>
Aggregate amount of quoted investments	14.72	21.89
Aggregate amount of unquoted investments	2,488.53	2,474.20
Aggregate market value of quoted investments	14.72	21.89



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 6 - Loans (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to employees	0.55	0.29
<b>Total</b>	<b>0.55</b>	<b>0.29</b>

### Note 7 - Other financial assets (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Security deposits	55.07	42.34
Less: Allowance for doubtful deposits	6.17	6.17
Net security deposits	48.90	36.17
Fair value of outstanding forward contracts (FVOCI)	2.72	33.50
Fair value of outstanding corporate guarantees (FVTPL)	8.56	17.48
<b>Total</b>	<b>60.18</b>	<b>87.15</b>

### Note 8 - Taxation

#### 8(a) - Income tax expense

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
<b>Current tax</b>		
Current tax on profits for the year	102.21	107.56
Adjustments for current tax of prior periods	0.70	(5.12)
<b>Total current tax expense</b>	<b>102.91</b>	<b>102.44</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	8.72	(4.33)
Adjustments for deferred tax of prior periods	-	1.88
<b>Total deferred tax expense/(benefit)</b>	<b>8.72</b>	<b>(2.45)</b>
<b>Income tax expense</b>	<b>111.63</b>	<b>99.99</b>

#### 8(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Profit for the year	419.03	392.35
Statutory tax rate applicable*	25.17%	34.94%
Tax expense at applicable tax rate	105.46	137.10
Effects of:		
Income taxed at higher/ (lower) rates	(1.58)	(4.28)
Amounts which are not deductible (taxable)	(0.95)	2.46
Tax holiday & exempt income	(2.79)	(22.14)
Adjustments for tax of prior periods	2.05	(3.24)
Basis difference that will reverse during tax holiday period	-	(0.01)
Taxable due to change in tax base	(10.36)	(9.38)
Previously unrecognised tax losses now recouped to reduce current tax expense	19.89	-
Other	(0.09)	(0.52)
<b>Income tax expense</b>	<b>111.63</b>	<b>99.99</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## 8( c)- Deferred tax

(₹ in millions)

Particulars	March 31, 2019	Recognized in P&L	MAT credit utilised	Retained earnings	Recognized in OCI	March 31, 2020
<b>Deferred Tax Assets</b>						
Employee benefits	46.72	(11.78)	-	-	5.66	40.60
Provision for doubtful debts	35.08	(6.98)	-	-	-	28.10
Investment In subsidiaries	188.07	(0.07)	-	-	-	188.00
MAT credit	4.86	(4.86)	-	-	-	-
Others	20.25	1.23	-	1.16	-	22.66
<b>Total Deferred Tax Assets</b>	<b>294.98</b>	<b>(22.46)</b>	<b>-</b>	<b>1.16</b>	<b>5.66</b>	<b>279.36</b>
<b>Deferred Tax Liabilities</b>						
Depreciation	32.37	(9.34)	-	-	-	23.03
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	4.40	(4.39)	-	-	(0.37)	(0.36)
Cash flow hedging	25.79	-	-	-	(29.14)	(3.35)
<b>Total Deferred Tax Liabilities</b>	<b>62.56</b>	<b>(13.74)</b>	<b>-</b>	<b>-</b>	<b>(29.51)</b>	<b>19.32</b>
<b>Net Deferred Tax</b>	<b>232.42</b>	<b>(8.72)</b>	<b>-</b>	<b>1.16</b>	<b>35.17</b>	<b>260.04</b>
						(₹ in millions)
Particulars	March 31, 2018	Recognized in P&L	MAT credit utilised	Retained earnings	Recognized in OCI	March 31, 2019
<b>Deferred Tax Assets</b>						
Employee benefits	37.73	7.58	-	-	1.41	46.72
Provision for doubtful debts	42.04	(6.96)	-	-	-	35.08
Investment In subsidiaries	174.91	13.16	-	-	-	188.07
MAT credit	87.50	-	(82.64)	-	-	4.86
Others	16.16	4.09	-	-	-	20.25
<b>Total Deferred Tax Assets</b>	<b>358.34</b>	<b>17.87</b>	<b>(82.64)</b>	<b>-</b>	<b>1.41</b>	<b>294.98</b>
<b>Deferred Tax Liabilities</b>						
Depreciation	18.26	14.12	-	-	-	32.37
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	3.10	1.35	-	-	(0.06)	4.40
Cash flow hedging	(16.89)	-	-	-	42.68	25.79
Others	0.05	(0.05)	-	-	-	-
<b>Total Deferred Tax Liabilities</b>	<b>4.52</b>	<b>15.42</b>	<b>-</b>	<b>-</b>	<b>42.62</b>	<b>62.56</b>
<b>Net Deferred Tax</b>	<b>353.82</b>	<b>2.45</b>	<b>(82.64)</b>	<b>-</b>	<b>(41.21)</b>	<b>232.42</b>

\* A new section 115BAA was inserted in the IT Act 1961 by the Govt of India on Sept 20, 2019 wide the Taxation Laws (Amendment) Ordinance 2019, which provides the option to pay income-tax at reduce rate in accordance with the provision/conditions defined in the said section. Accordingly the company have exercised and recognised the income tax on the basis of that section and remeasured the current tax and deferred tax during the year.



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 9 - Non-current tax assets (net)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Advance tax and tax deducted at source (net of provision for tax)	111.28	115.42
<b>Total</b>	<b>111.28</b>	<b>115.42</b>

### Note 10 - Other non-current assets

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Prepaid expenses	3.95	0.78
Balance with Government authorities	0.05	0.05
<b>Total</b>	<b>4.00</b>	<b>0.83</b>

### Note 11 - Investments (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
<b>Investment in mutual funds</b>		
<b>Quoted (at FVTPL)</b>		
11,411 (P.Y. Nil) units of Kotak Overnight Fund - Growth (face Value of ₹ 1,000 each)	12.16	-
3 (P.Y. Nil) units of Motilal Oswal Home Finance Limited of ₹ 1,063,447/- each	3.19	-
13,485 (P.Y. 298,051) units of ICICI Prudential Liquid Fund - Growth (Face Value of ₹ 100 each)	3.94	82.08
Nil (P.Y. 2,563,272) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	-	55.73
Nil (P.Y. 375,340) units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	-	4.78
Nil (P.Y. 133,518) units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	-	4.54
Nil (P.Y. 205,295) units of Aditya Birla Sun Life Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	-	14.71
<b>Total</b>	<b>19.29</b>	<b>161.84</b>
Aggregate amount of quoted investments	19.29	161.84
Aggregate market value of quoted investments	19.29	161.84

### Note 12 - Trade receivables

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Unsecured		
Considered Good (Refer Note No. 39)	1,124.24	916.20
Less :- Allowance for expected credit loss	20.11	-
	1,104.13	916.20
Credit impaired	82.87	94.21
Less :- Allowance for expected credit loss (Refer Note No. 37)	82.87	94.21
	-	-
<b>Total</b>	<b>1,104.13</b>	<b>916.20</b>
Trade receivable includes receivable from related parties (Refer Note No. 39).		

### Note 13 - Cash and cash equivalents

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Balances with bank:		
- in Current Account	113.77	52.18
- in Deposit Account	278.60	-
Cash on hand	5.16	2.41
Cheque on hand	-	10.74
<b>Total</b>	<b>397.53</b>	<b>65.33</b>

## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 14 - Other bank balances

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Margin money deposits*	37.20	36.09
Unpaid dividend account**	1.77	1.75
<b>Total</b>	<b>38.97</b>	<b>37.84</b>

\* Of the above ₹ 37.20 million ( As at March 31, 2019: ₹ 36.09 million) are marked as lien for guarantees issued by banks on behalf of the Company.

\*\* The Company can utilise balances only towards settlement of the unpaid dividend.

### Note 15 - Loans (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
(Unsecured, Considered Good, unless specified otherwise)		
To Related Party-		
Loan to Subsidiary (Refer Note No. 39)*	129.30	-
To Others-		
Loan to employees	0.64	0.31
<b>Total</b>	<b>129.94</b>	<b>0.31</b>

\* The loan is given to step down subsidiary for meeting working capital needs. The loan is repayable on demand. Rate of interest is 8.70%

### Note 16 - Other financial assets (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Security deposits	7.30	9.06
Less: Allowance for doubtful deposit	(2.50)	-
	4.80	9.06
Advances to related parties (Refer Note No. 39)	37.64	37.48
Others-		
Interest receivable	8.19	0.05
Fair Value of Outstanding Forward Contracts (FVOCI)	27.00	45.13
Unbilled Revenue	426.63	415.17
<b>Total</b>	<b>504.26</b>	<b>506.89</b>

### Note 17 - Current tax assets (net)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Advance tax and tax deducted at source (net of provision for tax)	46.89	17.49
<b>Total</b>	<b>46.89</b>	<b>17.49</b>

### Note 18 - Other current assets

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Advance to Vendors	42.13	17.00
Advance to staff	6.10	5.57
Balance with govt authorities	12.64	3.81
Prepaid expenses	29.77	35.00
Other assets	6.99	-
<b>Total</b>	<b>97.63</b>	<b>61.38</b>



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 19 - Share capital and other equity

#### 19(a) - Equity share capital

##### (i) Authorised share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2019	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2020	104,000,000	520.00

##### Authorised redeemable preference share capital of face value of ₹ 10/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2019	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2020	45,550,000	455.50

##### Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2019	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2020	58,949,337	294.75

##### (ii) Movements in equity share capital

Particulars	Number of shares	(₹ in millions)
As at March 31, 2018	58,949,337	294.75
Other movements	-	-
As at March 31, 2019	58,949,337	294.75
Other movements	-	-
As at March 31, 2020	58,949,337	294.75

##### (iii) Shares of the company held by holding company

Particulars	March 31, 2020	March 31, 2019
32,098,742 (31,813,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited	165.00	159.07

##### (iv) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	32,098,742	54.45%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,688,265	6.26%	3,477,995	5.90%
Asha Lalit Kanodia	3,305,258	5.61%	3,305,258	5.61%



# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## (v) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 14, 2020 have not proposed any dividend.

### 19(b) - Other equity\*

		(₹ in millions)	
Particulars		March 31, 2020	March 31, 2019
Securities premium	Refer Note (i) below	1,080.08	1,080.08
Retained earnings		2,224.64	1,989.55
General reserve	Refer Note (ii) below	1,077.14	1,077.14
Capital reserve	Refer Note (iii) below	35.60	35.60
Capital redemption reserve	Refer Note (iv) below	244.28	244.28
OCI -			
Equity investments	Refer Note (v) below	(3.38)	4.27
Actuarial gains and losses		(28.44)	(8.11)
Cash flow hedging reserve	Refer Note (vi) below	(9.95)	48.03
<b>Total</b>		<b>4,619.97</b>	<b>4,470.84</b>

\* For movement of reserves, refer statement of changes in equity

### Nature of reserves

#### (i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

#### (ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

#### (iii) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company.

#### (iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

#### (v) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

#### (vi) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 20 - Other financial liabilities (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Creditor for capital expenditure	0.53	0.56
Fair value of outstanding forward contracts (FVOCI)	24.71	-
Fair value of outstanding corporate guarantees (FVTPL)	8.56	17.48
<b>Total</b>	<b>33.80</b>	<b>18.04</b>

### Note 21 - Provisions (Non-current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Unfunded (Refer Note No. 43)		
Provisions for employee benefits		
Gratuity	107.56	81.10
Leave encashment	33.19	41.66
<b>Total</b>	<b>140.75</b>	<b>122.76</b>

### Note 22 - Current borrowings

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
From Banks (Secured)*	400.00	-
From Others (Secured)*	87.50	262.50
<b>Total</b>	<b>487.50</b>	<b>262.50</b>

\*Notes-

Working capital loans from Standard Chartered Bank, ICICI Bank and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipments of the Company, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the financial institution hence considered as current borrowings.

### Note 23 - Trade payables

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Dues of Micro enterprise and small enterprises	5.62	0.13
Dues other than Micro enterprise and small enterprises	490.17	386.85
<b>Total</b>	<b>495.79</b>	<b>386.98</b>

Micro and Small enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

Particulars	March 31, 2020	March 31, 2019
<b>(a) Dues remaining unpaid</b>		
- Principal	-	0.13
- Interest on above*	-	0.01
<b>(b) Interest paid in terms of Section 16 of MSMED Act</b>		
- Principal paid beyond the appointed date	-	-
- Interest paid in terms of Section 16 of MSMED Act	0.01	-
<b>(c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year</b>	-	-
<b>(d) Amount of interest accrued and unpaid*</b>	-	-

\* The Company has not provided any interest on the amount outstanding beyond stipulated period in previous year.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 24 - Other financial liabilities (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Interest accrued but not due	0.69	-
Fair value of contingent consideration	-	116.00
Fair value of outstanding forward contracts (FVOCI)	18.31	4.82
Deposits received	1.56	1.42
Unclaimed dividend*	1.77	1.75
Other payables	6.58	6.58
<b>Total</b>	<b>28.91</b>	<b>130.57</b>

\* Dividend ₹ 0.17 million (₹ 0.19 million) unclaimed for a period of more than seven years has been transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2020.

## Note 25 - Lease liabilities (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Lease liabilities (Refer Note no. 40)	15.66	-
<b>Total</b>	<b>15.66</b>	<b>-</b>

## Note 26 - Provisions (Current)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Unfunded (Refer Note No. 43)		
Provisions for employee benefits		
Gratuity	20.30	17.82
Leave encashment	11.03	4.09
<b>Total</b>	<b>31.33</b>	<b>21.91</b>

## Note 27 - Current tax liabilities (net)

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Provision for tax (net of advance tax)	5.92	-
<b>Total</b>	<b>5.92</b>	<b>-</b>

## Note 28 - Other current liabilities

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Statutory dues	78.39	38.46
Advance from customers	77.68	13.18
Unearned revenue	35.18	39.76
<b>Total</b>	<b>191.25</b>	<b>91.40</b>

## Note 29 - Revenue from operations

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Sale of Product	115.11	90.50
Sale of Services	4,043.24	3,806.22
<b>Total</b>	<b>4,158.35</b>	<b>3,896.72</b>



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 30 - Other income

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Interest from bank	2.81	0.68
Interest from loan to subsidiary (Refer Note No. 39)	5.36	-
Interest others	0.06	-
Dividend on shares	0.51	0.49
Dividend from joint venture (Refer Note No. 39)	10.71	-
Profit on sale of investments other than carried at FVOCI	18.96	7.80
Guarantee fees received	0.96	1.96
Net gain on disposal of property, plant and equipment	0.45	-
Unrealised gain on fair value of financial assets	8.72	26.57
Exchange gain (Net)	78.62	14.71
Incentive under SEIS Scheme	13.62	6.60
Other income	2.58	7.68
<b>Total</b>	<b>143.36</b>	<b>66.49</b>

### Note 31 - Purchase of products and licenses

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Purchase of IT Products and Licenses	99.73	36.62
<b>Total</b>	<b>99.73</b>	<b>36.62</b>

### Note 32 - Employee benefit expenses

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Salary, Wages & Allowances	2,449.37	2,167.94
Contribution towards Provident & Other funds	137.28	102.18
Staff Welfare expenses	73.40	61.99
<b>Total</b>	<b>2,660.05</b>	<b>2,332.11</b>

### Note 33 - Finance costs

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Interest on loan from banks	17.82	30.17
Interest on lease liabilities (Refer Note No. 40)	2.40	-
Interest on loan others	-	1.02
Other finance charges	4.13	3.31
<b>Total</b>	<b>24.35</b>	<b>34.50</b>

### Note 34 - Depreciation and Amortisation Expenses

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
Depreciation on property plant and equipment	56.02	66.47
Depreciation on Leased Assets (Refer Note No. 40)	21.57	-
Amortisation on intangible assets	51.56	53.85
<b>Total</b>	<b>129.15</b>	<b>120.32</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 35 - Other expenses

		(₹ in millions)	
Particulars		March 31, 2020	March 31, 2019
IT Infrastructure & Development Cost		109.50	54.07
Technical fees		190.34	267.21
Outsourcing cost		7.83	10.65
Travelling expenses		130.17	220.27
Recruitment charges		27.05	25.64
Rent (Refer Note No. 40)		45.34	55.09
Electricity expenses		73.31	67.68
Communication charges		16.33	14.94
Rates & Taxes		15.39	16.39
Water charges		2.39	2.15
Legal & Professional expenses		57.94	76.09
Audit fees (Refer Note No. 47)		3.79	3.85
Link Charges		21.31	21.77
Vendor charges		46.56	47.09
Insurance		7.78	5.39
Vehicle expenses		5.17	5.72
Repairs & Maintenance expenses		35.27	29.76
Software Maintenance expenses		37.31	36.55
Hire charges		16.61	16.06
Printing & Stationery		4.76	4.74
Subscription expenses		12.29	9.04
Entertainment Expenses		3.26	4.45
Bank Charges		5.44	3.51
Board Sitting Fees		0.79	0.98
Sales Promotion		17.21	14.83
Security Charges		15.00	14.98
Computer Peripherals		5.26	3.84
Loss on sale of assets (Net)		-	0.03
Bad Debts Written off	20.56		24.97
Less: Allowance for doubtful debts written back	(20.56)	-	(24.97)
Allowance for doubtful debts		29.34	4.87
Allowance for doubtful deposit		2.50	6.17
CSR Expenses (Refer Note No. 55)		14.02	1.21
Miscellaneous expenses		10.14	2.29
<b>Total</b>		<b>969.40</b>	<b>1,047.31</b>



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 36: Fair value measurements

(₹ in millions)

Financial instruments by category	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
<b>Investments</b>						
- Mutual funds	19.29	-	-	161.84	-	-
- Equity instruments	-	14.72	-	-	21.89	-
- Preference shares	320.91	-	-	299.68	-	-
Trade receivables	-	-	1,104.13	-	-	916.20
Cash and cash equivalents	-	-	397.53	-	-	65.33
Bank balances other than Cash and cash equivalents	-	-	38.97	-	-	37.84
Security deposit	-	-	53.70	-	-	45.23
Fair value of outstanding forward contracts	-	29.72	-	-	78.64	-
Fair value of outstanding corporate guarantees	8.56	-	-	17.48	-	-
Loan to Employees & Subsidiaries	-	-	130.49	-	-	0.60
Unbilled Revenue	-	-	426.63	-	-	415.17
Other receivables	-	-	45.83	-	-	37.53
<b>Total financial assets</b>	<b>348.76</b>	<b>44.44</b>	<b>2,197.28</b>	<b>479.00</b>	<b>100.53</b>	<b>1,517.90</b>
<b>Financial liabilities</b>						
Borrowings	-	-	487.50	-	-	262.50
Trade payables	-	-	495.79	-	-	386.98
Fair value of outstanding corporate guarantees	8.56	-	-	17.48	-	-
Fair value of outstanding forward contracts	-	43.02	-	-	4.82	-
Fair value of contingent consideration	-	-	-	116.00	-	-
Lease liabilities	-	-	15.66	-	-	-
Other payables	-	-	11.13	-	-	10.31
<b>Total financial liabilities</b>	<b>8.56</b>	<b>43.02</b>	<b>1,010.08</b>	<b>133.48</b>	<b>4.82</b>	<b>659.79</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.

(₹ in millions)

Financial assets and liabilities measured at fair value At March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	19.29	-	-	19.29
Preference shares	-	-	320.91	320.91
Fair value of outstanding corporate guarantees	-	-	8.56	8.56
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	-	29.72	-	29.72
Equity instruments	14.72	-	-	14.72
<b>Total financial assets</b>	<b>34.01</b>	<b>29.72</b>	<b>329.47</b>	<b>393.20</b>
<b>Financial Liabilities</b>				
Fair value of outstanding corporate guarantees	-	-	8.56	8.56
Fair value of outstanding forward contracts	-	43.02	-	43.02
<b>Total financial liabilities</b>	<b>-</b>	<b>43.02</b>	<b>8.56</b>	<b>51.58</b>



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

(₹ in millions)				
Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	161.84	-	-	161.84
Preference shares	-	-	299.68	299.68
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	-	78.64	-	78.64
Equity instruments	21.89	-	-	21.89
<b>Total financial assets</b>	<b>183.73</b>	<b>78.64</b>	<b>317.16</b>	<b>579.53</b>
<b>Financial Liabilities</b>				
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
Fair Value of outstanding forward contracts	-	4.82	-	4.82
Fair Value of contingent consideration	-	-	116.00	116.00
<b>Total financial liabilities</b>	<b>-</b>	<b>4.82</b>	<b>133.48</b>	<b>138.30</b>

There are no transfers between levels 1 and 2 during the year.

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in millions)	
Particulars	Amount
<b>Balance as on March 31, 2018</b>	<b>136.29</b>
Change in the value	47.39
<b>Balance as on March 31, 2019</b>	<b>183.68</b>
Change in the value	137.23
<b>Balance as on March 31, 2020</b>	<b>320.91</b>

### 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.



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 37: Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

#### A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

##### Credit risk management

The company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2020 and March 31, 2019 is the carrying value of such trade receivables as shown in note 12 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ in millions)
<b>Loss allowance on March 31, 2018</b>	<b>117.56</b>
Changes in loss allowance	(23.35)
<b>Loss allowance on March 31, 2019</b>	<b>94.21</b>
Changes in loss allowance	29.33
Bad debts write off	(20.56)
<b>Loss allowance on March 31, 2020</b>	<b>102.98</b>

#### 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.

## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### C) Market risk

#### i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 50% to 70% of forecasted receivables for the subsequent 18 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 50% to 70% of the forecasted receivables.

#### a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2020 and March 31, 2019 are given below :

Particulars	Currency	(₹ in millions)			
		March 31, 2020		March 31, 2019	
		Foreign Currency	(₹ in millions)	Foreign Currency	(₹ in millions)
Receivables	USD	6.32	477.84	4.34	299.92
	GBP	3.18	297.98	1.24	111.27
	EUR	0.55	45.70	0.45	35.04
	CHF	0.44	34.23	0.28	19.75
	AUD	0.25	11.37	0.15	7.33
	AED	0.06	1.33	-	-
	CAD	0.03	1.66	0.01	0.51
	SEK	0.05	0.41	0.19	1.40
Payables	USD	2.83	213.66	1.40	96.66
	EUR	-	-	0.01	1.03
	AUD	0.00	0.18	-	-
	CHF	0.16	12.33	0.01	0.44
	GBP	0.00	0.02	0.07	6.16
	SGD	0.00	0.04	-	-

#### b) Sensitivity

The Company is mainly exposed to changes in USD, GBP, CHF, AUD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, CHF, AUD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	(₹ in millions)	
	March 31, 2020	March 31, 2019
USD	13.21	10.68
GBP	14.90	0.00
EUR	2.29	1.70
CHF	1.09	0.62
AUD	0.56	0.01

\* Holding all other variables constant

#### ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
Fixed rate borrowings	487.50	262.50
<b>Total borrowings</b>	<b>487.50</b>	<b>262.50</b>

### b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

### iii) Price risk

#### a) Exposure

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

All of the company's equity investments are publicly traded.

## Note 38: Capital management

### a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowing includes current maturities of long term borrowings.

(₹ in millions)

	March 31, 2020	March 31, 2019
Borrowings	487.50	262.50
Total equity	4,914.72	4,765.59
<b>Borrowing to equity ratio</b>	<b>0.10</b>	<b>0.06</b>

### b) Dividends

(₹ in millions)

Particulars	March 31, 2020	March 31, 2019
<b>(i) Equity shares</b>		
Interim dividend for the year ended March 31, 2020 of Nil (March 31, 2019 – ₹ 0.25) per fully paid share	-	14.74
<b>(ii) Dividends not recognised at the end of the reporting period</b>		
The directors have not recommended the payment of a final dividend. (March 31, 2019 – ₹ 1).	-	58.95

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 39: 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 arm’s length (Refer Note No. 51) as per details given below:

### (A) Subsidiary Companies

Datamatics Global Services Inc.  
 Datamatics Global Technologies Limited  
 Datamatics Global Technologies AG  
 Datamatics Infotech Limited  
 LD Publishing & eRetail Limited  
 Datamatics Global Services FZ LLC  
 Datamatics Global Services Pty. Limited  
 Datamatics Robotics Software Limited (Stepdown Subsidiary)  
 Datamatics Robotics Software Inc (Stepdown Subsidiary)  
 Datamatics Global Services Corp. (Stepdown Subsidiary)  
 RJ Globus Solutions Inc (Stepdown Subsidiary)  
 RJ Globus Inc (Stepdown subsidiary)  
 RJ Globus Solutions Private Limited (Stepdown Subsidiary)  
 Cignex Datamatics Corporation (Stepdown Subsidiary)  
 Cignex Datamatics Technologies Limited (Stepdown Subsidiary)  
 Cignex Datamatics Inc. (Stepdown Subsidiary)  
 Cignex Datamatics Pte. Limited (Stepdown Subsidiary)  
 Cignex Datamatics GmbH (Stepdown Subsidiary)  
 Duo Consulting, Inc. (Stepdown Subsidiary)  
 Lumina Datamatics Limited  
 Lumina Datamatics Inc. (Stepdown Subsidiary)  
 Lumina Datamatics GmbH (Stepdown Subsidiary)  
 LDR eRetail Limited (Stepdown Subsidiary)  
 Lumina Datamatics Assessment and Analytics, LLC (Stepdown Subsidiary)  
 Datamatics Digital Limited  
 Techjini Inc (Stepdown Subsidiary)  
 Datamatics Staffing Services Limited (Stepdown Subsidiary) (w.e.f. March 18, 2019)  
 Datamatics Global Services B.V. (Stepdown Subsidiary) (w.e.f. September 13, 2019)

### (B) Joint Venture Company

Cybercom Datamatics Information Solutions Limited

### (C) Key Managerial Personnel

Dr. Lalit S. Kanodia, Chairman  
 Mr. Rahul L. Kanodia, Vice chairman & CEO  
 Mr. Sameer L. Kanodia, Director  
 Ms. Divya Kumat, Company Secretary  
 Mr. Sandeep Mantri, Chief Financial Officer

### (D) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel

Mrs. Asha L. Kanodia  
 Mrs. Aneesha Dalmia  
 Mrs. Priyadarshini Kanodia  
 Datamatics Staffing Services Limited (up to March 17, 2019)  
 Datamatics Business Solutions Limited  
 Datamatics Infotech Services Private Limited

### (E) Holding Company

Delta Infosolutions Private Limited

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

(ii) Details of transactions with the related parties stated in (i) above :

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
[A]	Transactions during the year ended										
i	Revenue from operations										
	Datamatics Global Services Inc.	1,022.78	1,068.92	-	-	-	-	5.81	5.57	-	-
	Datamatics Global Technologies Limited	230.47	345.52	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	10.28	7.65	-	-	-	-	-	-	-	-
	Datamatics Global Tech Limited	-	8.07	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	767.32	695.43	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	12.13	0.34	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	2.58	12.45	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	-	4.92	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	-	(5.46)	-	-	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	5.81	5.57	-	-
ii	Technical fees	69.43	133.93	-	3.38	-	-	-	-	-	-
	Datamatics Global Services Inc.	46.15	85.70	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	14.15	15.32	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	2.60	3.06	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	-	22.53	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	6.53	7.32	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	3.38	-	-	-	-	-	-
iii	Expenses incurred by related parties	57.71	49.69	0.32	-	-	-	-	-	-	-
	Datamatics Global Services Inc.	57.71	49.69	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.32	-	-	-	-	-	-	-
iv	Expenses incurred for related parties	27.24	20.57	0.10	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	5.16	3.65	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	5.35	14.74	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	9.30	1.42	-	-	-	-	-	-	-	-
	Datamatics Digital Limited	6.67	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.10	-	-	-	-	-	-	-
	LDR eRetail Limited	0.76	0.76	-	-	-	-	-	-	-	-
v	Legal and professional fees	-	-	-	-	-	-	0.31	0.26	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	0.31	0.26	-	-
vi	Managerial remuneration*	-	-	-	-	25.76	22.06	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	10.65	8.05	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	13.29	10.55	-	-	-	-



# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
vii	Mr. Sameer L. Kanodia	-	-	-	-	1.82	3.46	-	-	-	-
	Salaries and allowances*	-	-	-	-	15.51	15.90	3.30	3.13	-	-
	Ms. Divya Kumar	-	-	-	-	8.32	8.49	-	-	-	-
	Mr. Sandeep Mantri	-	-	-	-	7.19	7.41	-	-	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	3.30	3.13	-	-
viii	Commission	-	-	-	-	8.38	7.70	0.25	0.21	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	4.19	3.85	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	4.19	3.85	-	-	-	-
ix	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.25	0.21	-	-
	Board sitting fees	-	-	-	-	-	-	0.14	0.19	-	-
x	Mrs. Asha L. Kanodia	-	-	-	-	-	-	-	0.78	-	-
	Purchase of Property, plant and equipment	-	-	-	-	-	-	-	0.78	-	-
xi	Mrs. Aneesha Dalmia	-	-	-	-	-	-	-	-	-	-
	Corporate guarantee fees	0.96	0.96	-	1.00	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	0.96	0.96	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	1.00	-	-	-	-	-	-
xii	Dividend income	-	-	10.71	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	10.71	-	-	-	-	-	-	-
xiii	Dividend Paid	-	-	-	-	4.95	1.18	4.78	1.20	31.81	7.95
	Dr. Lalit S. Kanodia	-	-	-	-	3.48	0.81	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	1.47	0.37	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	3.31	0.83	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	1.47	0.37	-	-
xiv	Delta Infosolutions Private Limited	-	-	-	-	-	-	-	-	31.81	7.95
	Loans and advances refunded during the year	34.68	41.67	-	0.01	-	-	-	-	-	-
	Datamatics Infotech Limited	4.47	15.33	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ LLC	14.07	18.69	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	-	0.95	-	-	-	-	-	-	-	-
	Datamatics Global Services Inc.	-	0.20	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	-	0.05	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	1.93	6.35	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	13.95	0.10	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	0.26	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	0.01	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
xv	Loans and advances given during the year	164.66	47.24	1.55	0.24	-	-	0.60	0.26	-	-
	Datamatics Global Services Inc.	1.03	1.33	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	0.01	0.03	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	142.18	21.82	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	4.71	10.06	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	-	0.34	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	1.57	1.96	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ LLC	15.10	11.68	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	0.05	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	0.01	0.02	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	1.55	0.24	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	0.26	-	-
	Datamatics Infotech Services Private Limited	-	-	-	-	-	-	0.60	-	-	-
xvi	Investment in capital of subsidiaries	104.00	55.00	-	-	-	-	-	-	-	-
	Datamatics Digital Limited	104.00	55.00	-	-	-	-	-	-	-	-
xvii	Slump Sale	-	18.00	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	-	18.00	-	-	-	-	-	-	-	-
xviii	Redemption of preference shares	-	18.33	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	-	18.33	-	-	-	-	-	-	-	-
xix	Interest Income	5.36	-	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	5.36	-	-	-	-	-	-	-	-	-
[B]	Balance as at March 31										
i	Loans and advances receivable	166.70	36.71	2.10	0.55	-	-	0.60	-	-	-
	Datamatics Global Services Inc.	13.08	12.05	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	0.04	0.03	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	0.00	0.26	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ LLC	1.60	0.57	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	1.06	0.82	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	0.31	0.31	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	0.05	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	0.06	0.05	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.54	0.90	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	149.96	21.72	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	2.10	0.55	-	-	-	-	-	-

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
ii	Datamatics Infotech Services Private Limited	-	-	-	-	-	-	0.60	-	-	-
	<b>Loans and advances payable</b>	2.66	-	-	-	-	-	-	-	-	-
iii	Datamatics Digital Limited	2.66	-	-	-	-	-	-	-	-	-
	<b>Payables</b>	211.42	6.46	-	-	8.38	9.20	0.25	-	-	-
	Datamatics Global Services Inc.	202.33	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	1.02	1.00	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	8.07	5.46	-	-	-	-	-	-	-	-
	Mrs. Asha Kanodia	-	-	-	-	-	-	0.25	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	4.19	3.85	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	4.19	3.85	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	-	1.50	-	-	-	-
iv	<b>Receivables</b>	315.56	197.57	0.53	0.22	-	-	2.11	3.43	-	-
	Datamatics Global Services Inc.	144.04	59.17	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	12.86	1.89	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	140.83	120.33	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	1.12	12.62	-	-	-	-	-	-	-	-
	Datamatics Digital Limited	0.72	-	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	11.83	-	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ LLC	0.11	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	1.38	0.59	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	-	2.97	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	2.67	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	0.53	0.22	-	-	-	-	-	-
v	Datamatics Business Solutions Limited	-	-	-	-	-	-	2.11	3.43	-	-
	<b>Interest receivable</b>	5.36	-	-	-	-	-	-	-	-	-
vi	Datamatics Robotics Software Limited	5.36	-	-	-	-	-	-	-	-	-
	<b>Guarantees</b>	48.00	48.00	-	50.00	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	48.00	48.00	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	50.00	-	-	-	-	-	-

\* Above figures does not include gratuity, leave encashment, mediclaim and term life insurance as separate actuarial valuation / premium figures are not available.



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 40: Leases

The Company adopted Ind AS 116 w.e.f. April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

This has resulted in recognising a right-of-use asset of ₹ 34.49 million and a corresponding lease liability of ₹ 39.11 million by adjusting retained earnings net of taxes of ₹ 3.44 million (including the impact of deferred tax created of ₹ 1.16 million) as at April 1, 2019. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. EBIDTA and Profit before tax is increased by ₹ 25.85 million and ₹ 1.88 million respectively due to change in accounting standard for the quarter and year ended March 31, 2020. During the year, interest on lease liability charged ₹ 2.40 million, Depreciation on Right-to-use asset ₹ 21.57 million. Hence Lease liability as on March 31, 2020 is ₹ 15.66 million and Right-to-use as on March 31, 2020 is ₹ 12.92 million.

#### a) Non-cancellable operating leases

The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 35. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
Within one year	-	19.32
Later than one year but not later than five years	-	10.04
Later than five years	-	-

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
Rental expense relating to operating leases		
Total rental expense relating to operating leases	45.34	55.09

#### Notes:

- Future lease payments are determined on the basis of terms of the lease agreement.
- At the expiry of term of the agreement, the Company has an option either to return the leased asset or extend the term by giving a notice in writing.
- There are no sublease payments as well as no contingent rent.

### Note 41: Investment in subsidiaries

The Company has an investment in the standalone financial statements of ₹ 646.30 million (Previous year ₹ 646.30 million) in two of its wholly owned subsidiaries and has also extended advances of ₹ 13.14 million (Previous year ₹ 12.09 million) to these subsidiaries as on March 31, 2020. The net worth of these subsidiaries as on March 31, 2020 is ₹ 539.57 million (Previous year ₹ 539.48 million) which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future and hence, no provision for diminution in the value of investment and advances has been considered necessary by the management.

### Note 42: Earnings per share

Particulars	March 31, 2020	March 31, 2019
(a) Net Profit after taxation attributable to equity shareholders (₹ in millions)	307.40	292.36
(b) Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.)	58,949,337	58,949,337
(c) Earnings per share		
(Nominal value per share ₹ 5 each)		
Basic and Diluted earnings per share (in Rs.) (a/b)	5.21	4.96

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 43: Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

		(₹ in Millions)	
Particulars	March 31, 2020	March 31, 2019	
<b>I. Defined Contribution Plan</b>			
Charge to the Statement of Profit and Loss based on contributions:			
Employers contribution to provident fund	116.54	79.80	
Employers contribution to employees' state insurance	12.33	15.89	
Employers contribution to labour welfare fund and others	0.25	0.26	
Included in contribution to provident fund and other funds (Refer Note No.32)	129.12	95.95	

## II. Defined Benefit Plan

### i) Movement in Present Value of Obligation

		(₹ in Millions)			
Particulars	Gratuity		Leave Encashment		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Present Value of Obligation as at the beginning	98.92	74.64	45.75	46.13	
Current Service Cost	15.13	10.62	16.32	14.46	
Interest Expense or Cost	7.58	5.74	3.51	3.55	
Re-measurement (or Actuarial) (gain) / loss arising from:					
- change in demographic assumptions	(0.09)	-	(0.02)	-	
- change in financial assumptions	10.65	0.50	3.06	0.29	
- experience variance (i.e. actual experience vs assumptions)	16.29	3.47	(11.01)	2.95	
Past Service Cost	-	17.00	-	-	
Benefits Paid	(20.61)	(12.54)	(13.38)	(21.32)	
Acquisition adjustment	-	(0.51)	-	(0.31)	
Present Value of Obligation as at the end	127.86	98.92	44.22	45.75	
Present Value of Obligation as at the end - Current	20.30	17.82	11.03	4.09	
Present Value of Obligation as at the end - Non - Current	107.56	81.10	33.19	41.66	

### ii) Expenses recognised in the income statement and other comprehensive income

		(₹ in Millions)			
Particulars	Gratuity		Leave Encashment		
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019	
Current service cost	15.13	10.62	16.32	14.46	
Past service cost	-	17.00	-	-	
Net interest cost on the net defined benefit liability	7.58	5.74	3.51	3.55	
Actuarial (gains) / losses	-	-	(7.97)	3.23	
Expenses recognised in Profit & Loss Account	22.71	33.36	11.85	21.24	
Other Comprehensive Income					
Actuarial (gains) / losses					
- Change in demographic assumptions	(0.09)	-	-	-	
- Change in financial assumptions	10.65	0.50	-	-	
- Experience variance	16.29	3.47	-	-	
Expenses recognised in OCI	26.84	3.97	-	-	



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

Particulars	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate (per annum)	6.85%	7.65%	6.85%	7.65%
Salary growth rate (per annum)	4.50%	4.50%	4.50%	4.50%
Mortality Rate	IALM 12-14	IALM 06-08	IALM 12-14	IALM 06-08

### iv) Sensitivity Analysis

(₹ in Millions)

Particulars	Gratuity			
	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	135.37	121.02	104.12	94.16
Salary growth rate (- / + 0.5%)	120.84	135.51	93.99	104.27
Attrition rate (- / + 25%)	128.71	127.13	98.97	98.87
Mortality rate (- / + 10%)	127.75	127.97	98.80	99.03

### Sensitivity Analysis

(₹ in Millions)

Particulars	Leave Encashment			
	March 31, 2020		March 31, 2019	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	48.76	40.46	52.09	40.54
Salary growth rate (- / + 1%)	40.35	48.82	40.34	52.25
Attrition rate (- / + 50%)	41.49	46.08	43.32	47.85
Mortality rate (- / + 10%)	44.19	44.24	45.69	45.81

### v) Maturity profile of Defined Benefit obligation

(₹ in Millions)

Expected Cash flow over the next (valued on undiscounted basis)	Gratuity		Leave Encashment	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1 Year	20.30	17.82	11.03	4.09
2 to 5 years	24.83	21.89	12.52	9.89
6 to 10 years	39.23	36.96	10.40	16.82
More than 10 years	259.20	200.25	74.18	130.05



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 44: Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

**Contingent Liabilities to the extent not provided for:**

	(₹ in Millions)	
	March 31, 2020	March 31, 2019
<b>(a) Claims against the Company not acknowledged as debt:</b>		
(i) Income Tax matters	17.74	17.74
<b>(b) Details of guarantees outstanding as at:</b>		
(i) Corporate guarantees provided to banks against credit facilities extended to subsidiaries and joint venture	48.00	98.00
(ii) Guarantees given by banks	447.72	341.60
<b>(c) Capital and other commitments:</b>		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	-	-

### Note 45: Forward contracts in foreign currencies

The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	(₹ in Millions)	
Particulars	March 31, 2020	March 31, 2019
Not later than one month	113.53	139.83
Later than one month and not later than three months	227.33	275.62
Later than three months and not later than one year	956.91	1,088.52
Later than one year	891.39	876.38
<b>Total</b>	<b>2,189.16</b>	<b>2,380.35</b>

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

	(₹ in Millions)		
Foreign Currency	March 31, 2020		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)
U.S. Dollar	195	15.72	(36.38)
Euro	-	-	-
Sterling Pound	149	9.97	23.08
<b>Total</b>			<b>(13.30)</b>
	March 31, 2019		
	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	183	15.62	28.57
Euro	35	1.79	5.91
Sterling Pound	212	11.10	39.33
<b>Total</b>			<b>73.81</b>

Net gain / (loss) on derivative instruments of ₹ (13.30) million (FY 2018-19 ₹ 73.81 million) recognised in Hedging Reserve as of March 31, 2020, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2022.



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

### Note 46: Segment Information

The company publishes standalone financial statements of the company along with the consolidated financial statements. In accordance with Ind AS 108 - Operating segments, the company has disclosed the segment information in the consolidated financial statements.

### Note 47: Auditor's Remuneration

Particulars	(₹ in Millions)	
	March 31, 2020	March 31, 2019
For services as auditors, including quarterly audits	3.30	2.80
For tax audit	0.23	0.23
For other services	0.26	0.82
<b>Total</b>	<b>3.79</b>	<b>3.85</b>

### Note 48: Loans and advances to Subsidiaries consist of following

Particulars	(₹ in Millions)			
	Balance Outstanding as on March 31, 2020	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2019	Maximum amount outstanding during the year
Datamatics Global Services Inc. *	13.08	13.43	12.05	12.05
Datamatics Infotech Limited *	1.06	5.07	0.82	9.57
Datamatics Global Services Pty Limited *	0.31	0.47	0.31	0.93
Datamatics Global Technologies AG *	0.06	0.06	0.05	0.05
Lumina Datamatics Limited *	0.54	1.23	0.90	5.98
Datamatics Global Services FZ LLC *	1.60	12.33	0.57	10.68
Lumina Datamatics GmbH *	0.05	0.05	-	0.05
Cignex Datamatics Pte. Ltd. *	0.04	0.04	0.03	0.03
Datamatics Robotics Software Limited *	20.66	21.72	21.72	21.72
Datamatics Robotics Software Limited	129.30	129.30	-	-
Datamatics Staffing Services Limited *	0.00	0.26	0.26	0.26
<b>TOTAL</b>	<b>166.70</b>	<b>183.96</b>	<b>36.71</b>	<b>61.32</b>

\* Interest free advances.

### Note 49: Disclosure as per Section 186 of the Companies Act, 2013

a) Loans given	(₹ in Millions)	
	March 31, 2020	March 31, 2019
Datamatics Robotics Software Limited	129.30	-
b) Investments made		
There are no investments by Company other than those stated under Note 5 and Note 11 in the financial statements.		
c) Guarantees given	(₹ in Millions)	
	March 31, 2020	March 31, 2019
To secure obligations of subsidiaries - Guarantees to banks	48.00	98.00

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## d) Securities given

There are no securities given during the year.

## Note 50: Impairment

As per Companies (Accounting Standards) Rules, 2013 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 2013, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

## Note 51: Transfer pricing

The Management is of the opinion that its international transactions are at arm's length as per the independent accountants certificate for the year ended March 31, 2020. The Management continues to believe that its international transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

## Note 52: Revenue from contract with major customers

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2020 and March 31, 2019.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:		
Particulars	March 31, 2020	(₹ in Millions) March 31, 2019
Balance at beginning of the year	44.13	62.51
Revenue recognised during the year	250.23	139.30
Invoices raised during the year	118.32	157.68
<b>Balance at the end of the year</b>	<b>176.04</b>	<b>44.13</b>

## Note 53: Merger of Datamatics Digital Limited with company

The Company had earlier stake in Datamatics Digital Limited (formerly known as Techjini Solutions Private Limited) ("DDL") various tranches and owned 81.09% stake in DDL as on 1 April 2019. Thereafter, the Company had acquired the balance 18.91% stake on 14 May 2019, thereby making DDL a wholly owned subsidiary of the Company. Thereafter, vide Board Meeting dated 13 November 2019, the Company had approved the amalgamation of DDL with itself through a Scheme of Arrangement u/s 230-232 of the Companies Act, 2013 ("Scheme") with an Appointed Date of 1 June 2019.

Since DDL is a wholly owned subsidiary of the Company, no further shares would be required to be issued by the Company to the shareholders of DDL since the entire share capital of DDL is held by the Company. Further, since this Scheme provides for amalgamation of a wholly owned subsidiary with its 100% holding company, the requirement of obtaining a No Objection Letter from the stock exchanges and SEBI under SEBI Circular dated 10 March 2017 was not applicable. However, for the purposes of disclosure, the Company had filed a copy of the board resolution and draft Scheme with the stock exchanges.

Subsequent to the above, the Company had filed an application (C.A. (CAA) No. 3749 of 2019) with the National Company Law Tribunal, Mumbai Bench, ("NCLT") for seeking dispensation for convening meeting of shareholders and the creditors of the Company and DDL and also seeking directions to, inter alia, serve notices to various regulatory authorities viz., the concerned Income-tax Authority, the Regional Director, Western Region, Mumbai, the Registrar of Companies, Mumbai, the Official Liquidator, Mumbai (in so far as DDL is concerned) and SEBI and the stock exchanges (in so far as the Company is concerned). The NCLT was pleased to dispense with the meeting of the shareholders and the creditors of the Company and DDL and also direct the Company and DDL to, inter alia, serve notices as above, vide its order dated 20 February 2020.

The Company and DDL are now in the process of filing petition with the NCLT seeking sanction for the Scheme for approval of amalgamation of DDL with the Company.



## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

Since the Company and DDL are still in the process of seeking approval of the NCLT sanctioning the Scheme, the standalone financial statements of the Company do not include the impact of the merger of DDL with the Company.

### Note 54: Events occurring after Balance Sheet date

#### Dividend

Dividends paid during the year ended March 31, 2020 include an amount of Re. 1 per equity share towards final dividend for the year ended March 31, 2019. Dividends declared by the Company are based on the profit available for distribution. The Board has not recommended any final dividend for the financial year ended on March 31, 2020.

### Note 55: Corporate Social responsibility

In view of the amendment in the section 135 of the Companies Act, 2013 vide The Companies Amendment Act, 2019, the Company has made provision towards unspent CSR obligation amounting to ₹ 6.65 million for the financial year 2018-19 and has also made provision of ₹ 7.37 million being the estimated amount of CSR obligation for the year ended March 31, 2020 respectively.

### 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, goodwill, intangibles, 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 standalone financial results and the company will continue to closely monitor any material changes to the economic conditions in the future.

### Note 57: Previous year's figures

Previous year figures have been appropriately regrouped / reclassified and rearranged wherever necessary to conform to the current year's presentation.

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 14, 2020

For and on Behalf of the Board

**R. K. Saraswat**  
Director  
DIN 00015095

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

**Statement pursuant to first provision to sub Section 3 of Section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rule, 2014 in the prescribed Form AOC-1 relating to Subsidiary Companies.**

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Equity	Other Equity	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit / (Loss) before taxation (2)	Provision for taxation (2)	Profit / (Loss) after taxation (2)	Proposed dividend	Percentage of Shareholding	Country
1	Datamatics Global Services Inc	USD	75.59	2,134.80	(1,595.88)	1,199.66	660.74	-	1,609.51	(6.32)	2.55	(8.86)	-	100.00%	USA
2	Datamatics Infotech Limited	GBP	93.66	1.87	251.00	484.68	231.80	-	1,156.91	100.77	19.15	81.62	-	100.00%	UK
3	Datamatics Global Services Pty. Limited	AUD	46.28	2.31	14.78	21.38	4.29	-	39.73	1.78	0.54	1.24	-	100.00%	Australia
4	Datamatics Global Technologies Limited	USD	75.59	1,009.13	95.47	1,117.86	13.26	-	11.14	0.05	0.00	0.05	-	100.00%	Mauritius
5	Datamatics Global Services Corp	PHP	1.49	29.85	(4.63)	114.65	89.42	-	-	0.52	1.39	(0.87)	-	100.00%	Philippines
6	Datamatics Global Services FZ LLC	AED	20.58	1.03	127.92	139.58	10.62	-	104.47	2.47	(0.00)	2.47	-	100.00%	Dubai
7	Datamatics Global Technologies AG	CHF	78.67	3.93	(3.28)	3.50	2.85	-	13.87	0.03	-	0.03	-	100.00%	Switzerland
8	Datamatics Robotics Software Inc	USD	75.59	0.76	(0.65)	16.29	16.19	-	18.92	0.37	(0.00)	0.37	-	100.00%	USA
9	Datamatics Robotics Software Limited	INR	1.00	10.00	(62.55)	114.84	167.40	-	111.43	(72.18)	(17.96)	(54.22)	-	100.00%	India
10	Datamatics Global Services BV	EUR	83.33	2.08	(0.14)	2.08	0.14	-	-	(0.13)	-	(0.13)	-	100.00%	Netherlands
11	Datamatics Digital Limited	INR	1.00	5.50	352.00	412.69	55.19	92.20	626.72	151.21	43.42	107.79	-	100.00%	India
12	Techini Inc	USD	75.59	0.30	27.29	96.68	69.09	-	244.99	7.54	1.98	5.56	-	100.00%	USA
13	Datamatics Staffing Services Limited	INR	1.00	1.00	10.40	40.56	29.16	0.02	77.43	1.29	0.50	0.80	-	51.00%	India
14	LD Publishing and eRetail Limited	INR	1.00	0.50	(0.03)	0.47	0.00	-	-	-	-	-	-	100.00%	India
15	RJ Globus Solutions Inc	PHP	1.49	0.37	0.33	267.12	266.41	-	567.82	13.05	-	13.05	-	87.50%	Philippines
16	RJ Globus Inc	USD	75.59	0.76	(0.05)	0.70	(0.00)	-	-	(0.02)	-	(0.02)	-	87.50%	USA
17	RJ Globus Solutions Private Limited	INR	1.00	0.10	(0.01)	0.10	0.01	-	-	(0.00)	-	(0.00)	-	87.50%	India
18	Lumina Datamatics Limited	INR	1.00	295.80	1,841.17	2,477.29	340.32	94.10	1,466.49	95.53	48.35	47.19	-	100.00%	India
19	Lumina Datamatics Inc	USD	75.59	2,677.43	(149.31)	2,885.46	357.34	-	2,279.74	46.89	5.14	41.75	-	100.00%	USA
20	Lumina Datamatics GmbH	EUR	83.33	16.67	1.74	25.40	6.99	-	39.36	0.74	0.22	0.51	-	100.00%	Germany
21	LDR eRetail Limited	INR	1.00	50.00	(31.94)	18.79	0.73	13.44	7.20	1.60	0.15	1.45	-	100.00%	India
22	Lumina Datamatics Assessment & Analytics, LLC	USD	75.59	119.76	(125.01)	87.38	92.63	-	29.21	(8.03)	-	(8.03)	-	65.00%	USA
23	Cignex Datamatics Corporation	USD	75.59	29.60	(100.88)	-	71.28	-	-	-	-	-	-	62.51%	BVI
24	Cignex Datamatics Inc	USD	75.59	139.61	226.42	1,000.27	634.24	-	1,381.60	87.45	40.07	47.38	-	62.51%	USA
25	Cignex Datamatics Technologies Limited	INR	1.00	0.50	375.53	507.78	131.75	50.90	857.70	77.43	21.85	55.58	-	62.51%	India
26	Cignex Datamatics Pte. Limited	SGD	53.20	0.00	12.48	15.26	2.78	-	12.45	0.95	(0.18)	1.13	-	62.51%	Singapore
27	Cignex Datamatics GmbH	EUR	83.33	2.08	0.32	2.39	(0.02)	-	1.71	0.32	0.10	0.23	-	62.51%	Germany
28	Duo Consulting, Inc.	USD	75.59	74.61	(34.87)	106.58	66.84	-	147.27	(1.75)	-	(1.75)	-	41.26%	USA
29	Cybercom Datamatics Information Solutions Limited	INR	1.00	8.48	145.14	169.56	15.94	91.90	79.96	32.50	4.06	28.45	-	50.50%	India

Notes:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the Subsidiary Companies, are based on the exchange rates as on March 31, 2020.
- Converted at monthly average exchange rates.
- Investments represents investments other than investments in subsidiaries.
- The reporting period for all the Subsidiaries is March 31, 2020.

For and on behalf of the Board

**R. K. Saraswat**  
DIN 00015095  
Director

**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman

**Rahul L. Kanodia**  
DIN 00075801  
Vice Chairman & CEO

**Divya Kumart**  
Senior Vice President – Legal  
and Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

Place : Mumbai  
Date : May 14, 2020

**DATAMATICS**



## HAPPY CUSTOMERS MAKE US HAPPY

"Datamatics seamlessly aligned with our organisation's vision. They are a strategic partner in our Digital Transformation journey."

Head of Intelligent Automation,  
Fortune 500 Logistics Giant

"Datamatics team is very flexible, proactive, & innovative and have always helped us to get right results at the right time"

Head - Information Technology,  
International Health Insurer & Provider



## WHAT'S INSIDE

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Datamatics a global Technology, Business Process Management and Digital Solutions company provides intelligent solutions for data-driven businesses to increase productivity and enhance the customer experience. With a complete digital approach, Datamatics portfolio spans across Technology Solutions, Business Process Management and Engineering Services powered by Artificial Intelligence. It has established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection. Datamatics does business with global customers across Banking, Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing. The Company has presence across 4 continents with major delivery centers in the USA, India, and Philippines.

### CONSOLIDATED REVENUE (₹ in Million)

# 11,490.5

↓ 4.5%

### CONSOLIDATED REVENUE WITHOUT CIGNEX (₹ in Million)

# 10,223.8

↑ 1.5%

### EBITDA (₹ in Million)

# 1,422.4

↑ 15.1%

### WORLDWIDE Significant Customers

# 200+

### OFFICES in Countries

# 6

### GLOBAL DELIVERY CENTERS in Regions

# 4

# HAPPY CUSTOMERS MAKE US HAPPY

As our customers adopt digital technologies to drive their businesses, our primary objective remains to deliver beyond and help our customers on their journey towards digital transformation. It provides us an excellent opportunity to partner with them and enable them to remain competitive.

The new era of digital technologies is changing the world rapidly, and so is Datamatics. With a shift in paradigm in the recent times, we have witnessed technological disruptions across different regions and industries. It provides us with the opportunity to evolve with the world and explore new horizons in this data-driven world.

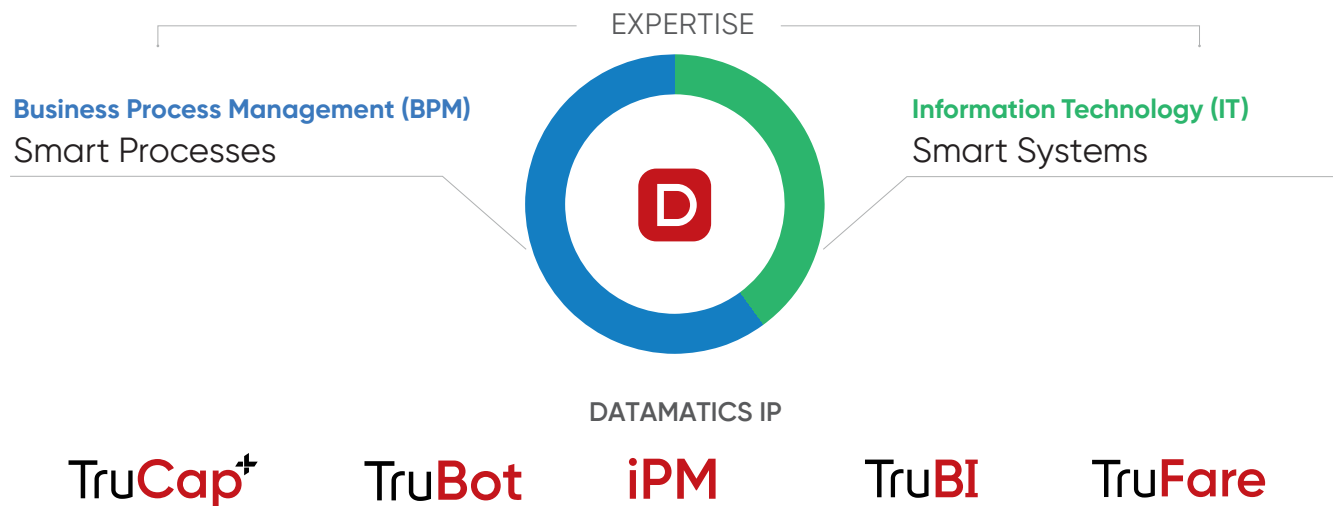
Our digital solutions like Robotics, Intelligent Automation, Digital Finance, Digital Workplace, and Cloud help our customers increase enterprise productivity. While, solutions such as Customer Management, Digital Experience, and Digital Content Management help the customers build deeper customer relationships. With key focus on customer satisfaction, we continue to innovate and grow with our customers.



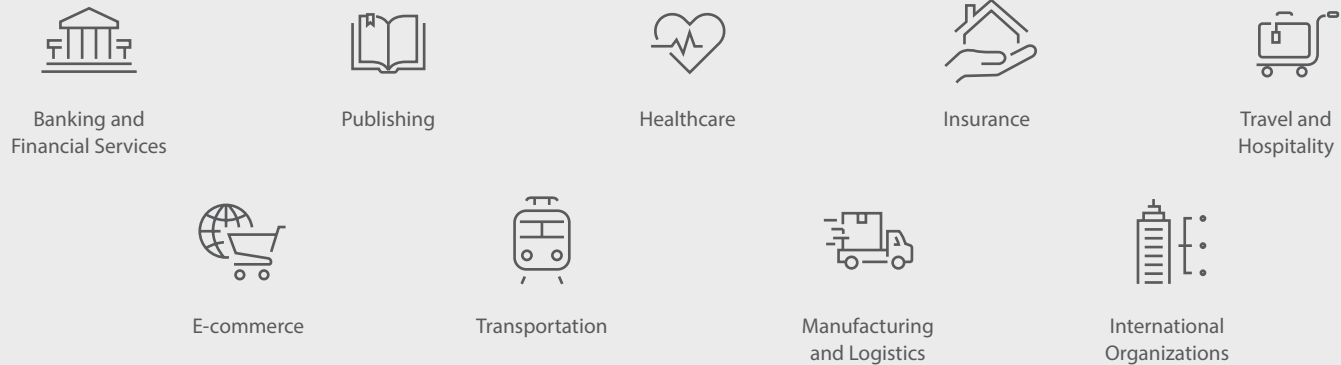
# At a Glance

## What we do

We are a global Technology, Business Process Management and Digital Solutions company. We build intelligent solutions for data-driven businesses to increase productivity and enhance the customer experience.



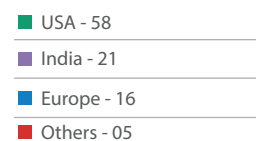
## TRANSFORMING BUSINESSES ACROSS INDUSTRIES



### Top three revenue contributors by industry (%)



### Top three revenue contributors by region (%)



# Strategic Focus

## Strengthening digital solutions footprint

We deliver a comprehensive suite of innovative services and solutions to customers including Fortune 500 companies for managing their end-to-end Application Life Cycle and Business Critical Processes.

Our stellar brand reputation in the market and strong foothold in the IT and ITeS space, along with a three-decade long legacy of delivering solutions tailored to client requirements have helped us create sustainable value for all our stakeholders. We have identified the following strategic priorities to drive robust revenue growth and margin improvements going forward:



In FY 2020–21, we continued making significant efforts and investments in strengthening our digital footprint, and are now well positioned to implement digital technologies such as Intelligent Document Processing, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for our customers. We are focusing on deepening our account penetration with our customers, which include Fortune 500 companies, by cross-selling and up-selling through integrated sales and marketing efforts.

We are investing in developing as well as updating our own IP solutions in the digital technology space. Datamatics Intelligent Automation Platform (IAP) is a unified platform to automate a series of tasks, processes, and unstructured and semi-structured data in documents. The Platform combines the capabilities of TruBot for Robotic Process Automation (RPA), TruCap+ for Intelligent Document Processing (IDP) along with artificial intelligence (AI)/machine learning (ML) models developed by Datamatics. We have also developed iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection. All these products and platforms are getting good traction in the market.

On the back of product strategy, we continue to invest in expanding our partner network. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally.

Automated Fare Collection (AFC) has been one of our key focus areas. We see this as a huge opportunity in US and emerging economies around the world, including India. Currently Datamatics has made substantial progress in implementing AFC solutions for Mumbai Metro (Line 2A & 7); and Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA.

It is one year since COVID-19 was declared a global pandemic and the threat of pandemic is not yet over. Like last year, our priorities continue to be employee well-being, servicing and retaining customers and tightly managing cash-flows. We are well prepared to address the challenge posed by the pandemic and remain cautious and at the same time confident of sustaining the growth momentum in coming year.

# Business Overview

## Customer Satisfaction, Our Passion.

As our customers adopt digital technologies to drive their businesses in an ever-changing business scenario, our primary objective remains to deliver beyond and help our customers on their journey towards digital transformation.

We are a global Technology, Business Process Management and Digital Solutions company providing intelligent solutions for data-driven businesses. With a complete digital approach, our portfolio spans across Technology Solutions, Business Process Management and Engineering Services powered by Artificial Intelligence. We have established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection.



### IT SOLUTIONS

#### Enterprise Modernisation

#### Cloud Services

#### Digital Experiences & Consulting

#### Enterprise Content Management

#### Hyperautomation Services

#### Enterprise Solutions

#### Automated Fare Collection (AFC)

The worldwide IT spending is expected to total US\$ 4.1 trillion in 2021, an increase of 8.4% from 2020. IT spending is likely to decelerate to 5.5% in 2022 to \$4.3 trillion, with all IT spending segments expected to have positive growth through 2022, according to Gartner.

Datamatics is well positioned to implement Digital Technologies, including Intelligent Document Processing, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved out a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions.



Datamatics ensures that we are on right technology at all times to compete with our competitors in the global market.

Group CFO

Leading Indian Mining Company



### IT SOLUTIONS: FY 2020-21 PERFORMANCE HIGHLIGHTS

REVENUE  
(₹ in million)

5,873

REVENUE  
CONTRIBUTION  
(in %)

51

EBITDA MARGIN  
(in %)

6.9





## BUSINESS PROCESS MANAGEMENT

- Finance & Accounting
- Customer Management
- Banking Process Management
- Insurance Process Management
- Publishing
- E-Commerce
- BPaaS

According to Everest Group, the global BPM market is projected to total to \$ 254 billion in 2021, an increase of 4.5% from 2020. BPM market is likely to grow at 7.6% in 2022 to \$273 billion. Industry-vertical-oriented BPM, enterprise back-office BPM and contact center are some of the segments expected to witness the highest volume of new work in the next five years.

Datamatics BPM offerings help organizations drive cultural change through digitization and automation, providing tangible benefits to enterprises in terms of higher process efficiency, increased compliance, complete transparency, shorter time-to-market, and customer delight. We are seeing specific opportunities in the process automation and dynamic content management areas.



Over the years, we have worked hand-in-hand with Datamatics to automate and streamline our processes

Global Director, Accounts Receivables  
Leading American Manufacturing Company



### BPM: FY 2020-21 PERFORMANCE HIGHLIGHTS

REVENUE  
(₹ in million)

5,617

REVENUE  
CONTRIBUTION  
(in %)

49

EBITDA MARGIN  
(in %)

18.1



## INTELLIGENT AUTOMATION

The market for process-agnostic software enabling Hyperautomation is projected to reach \$25 billion in 2021 and is forecasted to grow at a CAGR of 18.8% over the period 2020-2025, thereby amounting to over \$46 billion by end of 2025.

Robotic Process Automation (RPA) software market is growing at healthy double digit rates as per various analyst estimates. Gartner predicts that by 2022, 65% of organizations that deployed automation capabilities will introduce artificial intelligence (AI) that include machine learning (ML), natural language processing (NLP) algorithms and intelligent document processing (IDP).

Intelligent Document Processing (IDP) market is projected to grow at 55%-65% CAGR thereby amounting to 1.85-1.95 Billion by 2022, driven by strong demand for automation.

Datamatics Intelligent Automation Platform (IAP) is a unified platform to automate a series of tasks, processes, and unstructured and semi-structured data in documents; addressing the automation needs of the businesses. The platform combines the capabilities of TruBot for Robotic Process Automation (RPA), TruCap+ for Intelligent Document Processing (IDP) along with artificial intelligence (AI)/machine learning (ML) models developed by Datamatics. This year Datamatics launched a new AI-enabled TruCap+ IDP solution which was recognized as a Major Contender and Star Performer by Everest Group in its IDP PEAK Matrix® 2021

### HIGHLY RATED INTELLIGENT AUTOMATION PLATFORM BY CUSTOMERS GLOBALLY



4.6 / 5



4.7 / 5

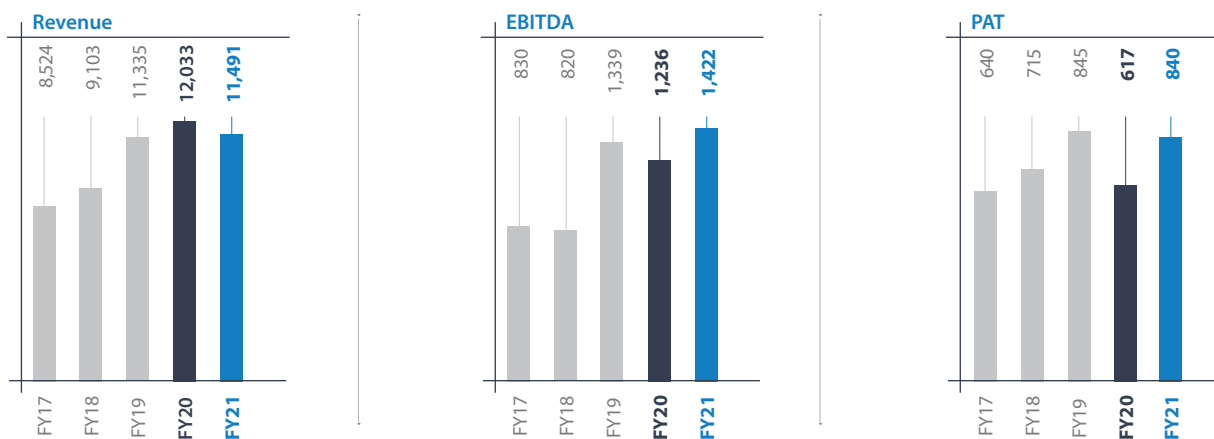


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# Key Performance Indicators

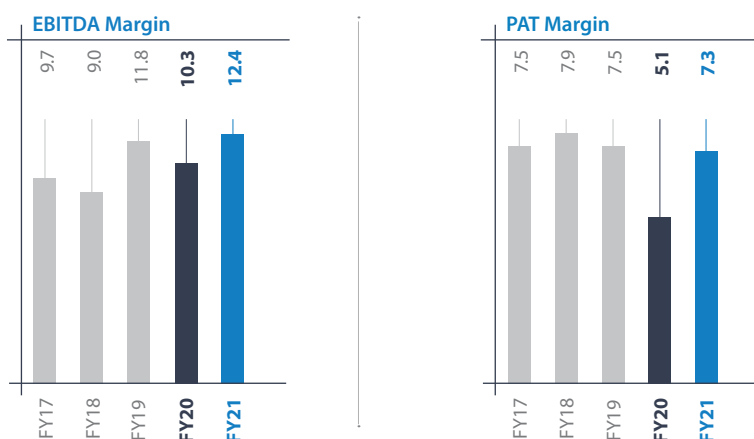
## Robust revenues, stable margins

Steady growth over the past five years (₹ in millions)



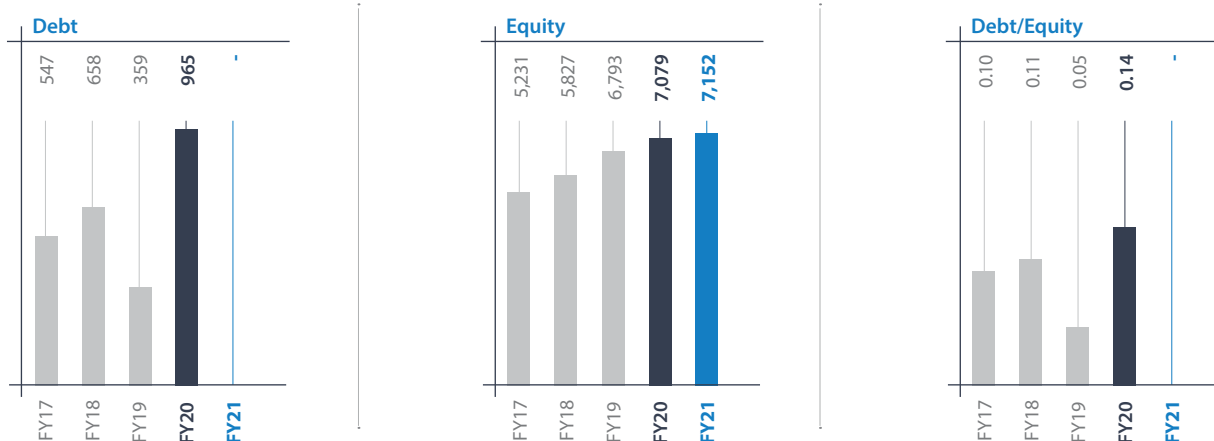
Note: EBITDA excluding Other Income  
PAT before Non-controlling Interest

## Stable margins (in %)

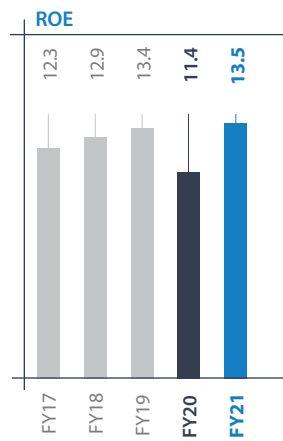
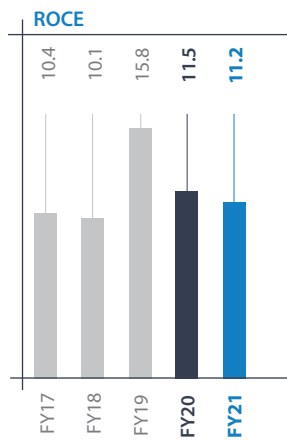


Note: EBITDA excluding Other Income  
PAT before Non-controlling Interest

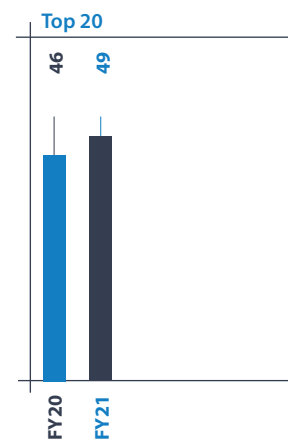
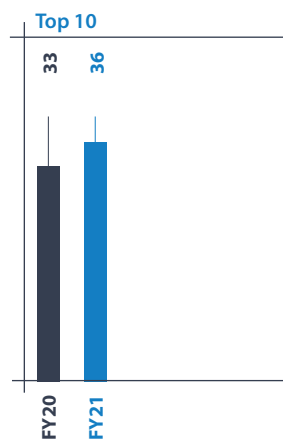
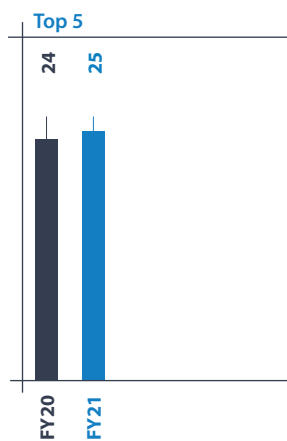
## Healthy balance sheet (₹ in millions)



## Improving return ratios (in %)



## Client concentration (in %)





## Chairman's Message

Dr. Lalit S. Kanodia  
Founder and Chairman

‘

I am happy to share that your Company has restructured its business during the FY 2020-21 with the objective of increasing revenues, reducing costs, and improving the ease of doing business

’

Dear Shareholders,

I am happy to share that your Company has restructured its business during the FY 2020-21 with the objective of increasing revenues, reducing costs, and improving the ease of doing business, despite the fact that we were confronted by the Covid Pandemic with unknown consequences.

This restructuring included:

- Merger of Datamatics Digital Ltd. (earlier TechJini), a Company devoted to Mobility Software Development in which we had acquired a controlling interest in 2017-18, into Datamatics Global Services Limited in December 2020.
- Acquisition of 100% of the equity of R. J. Globus Solutions Inc., a Company located in Philippines in which we had acquired a controlling interest in 2018.
- Divestment of CIGNEX Datamatics, in which your Company indirectly held 62.51% equity stake, at a consideration of USD 16.57 million, since this was not in our core business.

As a consequence of the above actions our financials improved as follows:

1. EBITDA margins in FY 2020-21 were ₹1,442.4 million, up 15.1% YOY as against ₹1,235.7 million in FY 2019-20.
2. Profit after Tax was ₹797.5 million, up 25.1% YOY as against ₹637.4 million in FY 2019-20.
3. The Company had zero debt as on 31<sup>st</sup> March 2021.

Worldwide IT and digitization continue to surge. It is estimated that India exported \$145 billion of IT Services in 2020-21 and remains the dominant exporter in this sector. Besides, our domestic market is estimated at \$50 billion. IT therefore constitutes about 8% of India's GDP.

Your Company provides digital solutions across Banking & Financial Services, Insurance, Retail, Manufacturing, International Organizations, and Media & Publishing, servicing over 200 significant customers globally.

As we all look ahead towards a potential end of pandemic, your Company has worked hard to emerge through this crisis as a resilient organization. We took a series of actions to mitigate potential threats posed by Covid pandemic to our business.

As a first step, our Executive Directors took a voluntary cut in their compensation and Staff members were given computer hardware at their residences with connectivity to enable them to work from home. We were thus able to serve our clients with little or no disruption. I am extremely proud of all our staff members who rose to the challenge.

We continue to invest in developing Intellectual Property and have a strong footprint in the digital space providing new age solutions in Cloud, Mobility, Robotics, Digital Process Automation and Artificial Intelligence. Datamatics also has a strong product portfolio in Robotic Process Automation (TruBot), Intelligent Document Processing (TruCap+), Business Intelligence & Advance Analytics (TruBI), Artificial Intelligence (TruAI) and Automated Fare Collection (TruFare).

Our Share price, which did not reflect the strength of the Company, increased drastically in the last few months, thus correcting an inexplicable anomaly. Our Share price as on 31<sup>st</sup> March 2020 was ₹ 41.05 which surged and reached a high of ₹ 347 in late August 2021.

During the second wave of COVID-19, your Company stepped up its CSR initiatives and donated an oxygen plant to a hospital in Delhi through the Rotary Club of Delhi Premier. We also donated mobile toilets and bathrooms for the rehabilitation centre of COVID-19 patients at Puducherry. Additionally, your Company also deployed its TruBot technology to help the Nashik Municipal Corporation manage antigen test data for ICMR.

I would like to end this letter by quoting a phrase of Lou Gerstner, former Chairman of IBM, in these challenging times to overcome crises posed by COVID-19 pandemic - "Computers are magnificent tools for the realization of our dreams, but no machine can replace the human spark of spirit, compassion, love, and understanding."

I take this opportunity to thank all our customers, staff, shareholders, business partners and associates for their unceasing support and commitment to your Company.

**Dr. Lalit S. Kanodia**

Ph. D. (MIT, USA)

Founder and Chairman





## Vice Chairman & CEO's Message

Rahul L. Kanodia  
Vice Chairman & Chief Executive Officer

“

I am extremely proud of the way every Datamatician worked relentlessly to deliver our services and commitments to all our stakeholders. We are happy to see the growth recovery in businesses across industry and verticals which was impacted initially due to pandemic

”



Dear Shareholders,

Today digital technology has become an integral part of our lives. Our digital solutions includes products and services that enable digital transformation of our clients' businesses. Solutions like Intelligent Automation, Digital Finance, Digital Workplace, and Cloud enable our clients increase enterprise productivity and Customer Management, Digital Experience, and Digital Content Management help them deliver outstanding customer experience.

Let me give a brief insight into our solutions portfolio:

Our **Technology Services** adopt agile methodologies and DevOps to deliver next-generation Application Development and Management services to global enterprises. We have partnered with IBM and OpenText to drive Digital Transformation for large marquee enterprises. Cloud is another rapidly growing area, and we have partnered with Amazon Web Services and Microsoft Azure to build our services capabilities.

For mobility solutions Datamatics has become the preferred choice of digital-first companies to build their human-centric digital experiences. With COVID pandemic, we have seen new opportunities in the Fin-tech, Ed-tech and Med-tech space.

In **Business Process Management** space we have invested in digital automation platforms to make operations more productive and efficient. Our Digital Finance solutions streamline and automate the back-office and mid-office processes on iPM, our cloud based digital platform that integrates with Robotics, and Intelligent Document Processing. Datamatics was recognized as a Star Performer in Finance and Accounting Digital Capability Platform Solution Peak Matrix 2020 by Everest Group. In Digital Content Management, Lumina Datamatics has developed strong IP solutions such as CAPS for Journal Content Authoring and Publishing System and MARS a Manuscript Assessment and Reporting System.

**We are also investing in areas that are witnessing high growth:**

**Automated Fare Collection (AFC)** is an important focus area. With government focus on smart and rapid transport such as metro-rails, we see this as a good opportunity. Datamatics is the only Indian Company to have a robust AFC, solution and have successfully deployed TruFare at Lucknow metro and Vaishno Devi, and are currently working on Mumbai Metro. We are also actively pursuing US market and have won the AFC contract for Memphis.

**Intelligent Automation**, is currently the fastest growing enterprise technology segment in the world, growing at 58% per annum. We have made significant investments in strengthening our Intelligent Automation offering by building our own products TruBot in Robotic Process Automation; TruCap+ in Intelligent Document Processing and TruAI, our comprehensive Artificial Intelligence platform. We are getting a good response from the market for these solutions and have started servicing some marquee logos around the world. To increase the sales momentum for TruBot, we have expanded our partner network to over 100 partners around the world.

Datamatics has received a number of awards and recognition. TruBot was recognized by several leading analyst firms like

Gartner, 451 Research, and Everest Group which rated it as a Major Contender in its RPA Peak Matrix 2020. Datamatics TruCap+ was also recognized by Everest Group as a Major Contender in IDP Peak Matrix 2019.

In FY21 our consolidated revenue stood at ₹ 11,491 million; down by 4.5% year-on-year because of non-inclusion of Cignex revenue in Q4 FY21 and impact of pandemic in the initial quarters. Revenue without Cignex in FY21 was ₹ 10,223 million, an increase of 1.5% year-on-year. Of the total revenue, IT solutions - include application management services, digital solutions such as Robotic Process Automation, Digital Experiences, Cloud solutions, analytics as well as Automated Fare Collection - constitute 51% with EBITDA of 6.9%. On the other hand, Business Process Management constitute 49% of total revenues with EBITDA of 18.1%.

Like all businesses we also saw an adverse impact because of COVID. However I am extremely proud of the way every Datamatician worked relentlessly to deliver our services and commitments to all our stakeholders. We are happy to see the growth recovery in businesses across industry and verticals which was impacted initially due to pandemic. Our EBITDA margin increased by 15.3% sequentially in Qtr-2 of Fin. Yr. 21; driven by cost optimization efforts. We are seeing a demand revival across segments as customers are accelerating their digital transformation journey, and are confident of sustaining the growth momentum in coming quarters.

Going forward, Datamatics will actively focus on Intelligent Automation by deploying digital technologies for automating business processes and enhancing customer experiences. We are well positioned to capture this market opportunity on the back of an entire suite of products, solutions and partnerships we have built in this space.

This year, due to COVID, we stepped up our CSR initiatives and made a special effort in contributing to society. We adopted Sambhaji Nagar, a slum in Mumbai and provided meals to over 1,000 families for a month. Additionally, we helped the BMC manage the migrant worker crisis caused by COVID, by setting up an emergency digital call centre. We collaborated with NGOs to provide food and supplies to over 650,000 people. And in the Philippines, we partnered with the local community for setting up safe water systems.

This year, we have firmly established ourselves as a key player in the Diversity & Inclusion space, through the 'Datamatics Diversity Charter'. Datamatics was recognized for being among the Top Companies in the Private sector at the UN Global Compact Network - Innovative Practices Award. Recently, we also won D&I CEO of the Year award and 'Best D&I Award for Gender Diversity and Empowerment'.

I take this opportunity to thank our valued shareholders and all our stakeholders, our clients, partners & employees for being an integral part of our growth journey, and their continued support and encouragement.

Yours Sincerely,

**Rahul L. Kanodia**

Vice Chairman & Chief Executive Officer

# Achievements

## Recognitions and Awards in FY 2020-21

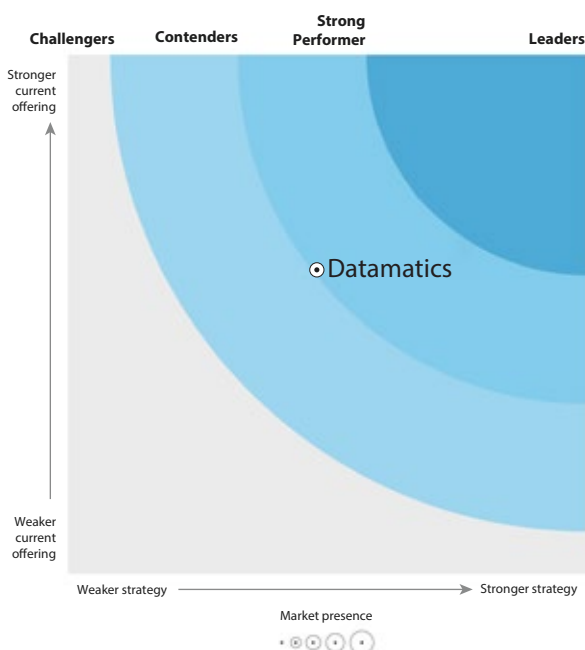


### ANALYST COVERAGE

In FY 2020-21 Datamatics featured in various reports by leading global analysts. Some of the key mentions are as follows

FORRESTER

#### THE FORRESTER WAVE™ Robotic Process Automation Q1 2021



#### Intelligent Automation

- Datamatics TruBot recognized as a Strong Performer in Forrester Wave for RPA, Q1 2021
- Datamatics TruCap+ IDP recognized as a 'Star Performer' & 'Major Contender' in the Intelligent Document Processing (IDP) Products PEAK Matrix® Assessment 2021 by Everest Group
- Datamatics recognized as Major Contender in the Intelligent Process Automation (IPA) – Solutions PEAK Matrix® Assessment 2021 by Everest Group
- Datamatics TruCap+ recognized as a Leader in SPARK Matrix: Intelligent Document Processing (IDP), 2020
- Datamatics recognized in the Gartner Peer Insights 'Voice of the Customer': Robotic Process Automation 2020
- Everest Group recognized Datamatics TruBot as a Major Contender in its Robotic Process Automation (RPA) Peak Matrix 2020
- Datamatics acknowledged as a key player in RPA market in the report 'Datamatics looks to broaden its footprint in the RPA market' by 451 Research
- TruCap+ recognized as Major Contender in Everest Peak Matrix – Intelligent Document Processing (IDP) Technology Vendors 2020
- TruBot RPA case studies featured in Gartner's 'Tool: Banking and Insurance Use Cases to Drive Hyperautomation'
- Datamatics recognized in the Omdia Universe – Selecting a Robotic Process Automation (RPA) Provider 2020-21



#### Business Process Management

- Datamatics recognized in Gartner Market Guide for Finance and Accounting Business Process Outsourcing Service Providers 2021
- Datamatics a Major Player in IDC MarketScape: Worldwide Digital Finance and Accounting Business Process Services
- Datamatics recognized as a Star Performer in (FAO) Finance and Accounting Outsourcing Service Provider Peak Matrix 2020
- Datamatics Finance and Accounting Solutions recognised in 'Datamatics: Re-envisioning Finance through Intelligent Solutions' report by ISG



4.6 / 5



4.7 / 5



8.4 / 10



## AWARDS AND ACHIEVEMENTS

Datamatics also received awards from industry bodies for its solutions.

### Datamatics



Datamatics recognised for being among the Top Companies in the Private sector at the United Nations Global Compact Network India (UN GCNI) Innovative Practices Award "Women at Work" – 2020



Datamatics named as 'Leader' in the IAOP 2021 Global Outsourcing 100 List



Datamatics TruBot recognised at Gold Stevie Award 2020 for 'Sales & Customer Service' while TruCap+ wins People's Choice Stevie Award 2020 for 'Favourite New Products'



Datamatics won Rail Analysis India Award 2020 for Automated Fare Collection technology



Datamatics won the Market Research Society of India (MRSI) Golden Key Awards 2020 for its exceptional initiative of transforming the BMC Helpline into an Emergency Response Center during the Lockdown period



Datamatics won the CRN Excellence Award 2020 for its innovative virtual reality gaming App for Alzheimer's patients

### Lumina Datamatics



Lumina Datamatics recognised by the World Federation of HR Professionals with 'Most Innovative HR Tech Leaders (India) 2020' award



Lumina Datamatics recognised by World HRD Congress with 'Tamilnadu Most Promising Brand Award 2020'

## Board of Directors



**Dr. Lalit S. Kanodia**  
Chairman

Dr. Lalit S. Kanodia, the Founder and Chairman of Datamatics Group of Companies, is one of the pioneers in the Indian Software and BPM Services industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up Tata Consultancy Services in 1967. As the Chief Mentor at Datamatics, Dr. Kanodia drives all innovation, new product development and quality initiatives. After obtaining a degree in engineering from IIT, Bombay, he completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA). Dr. Kanodia was on the Executive Board of MIT (Europe, Asia and Africa). He was also past President of Management Consultants Association of India, Indo American Chamber of Commerce and IMC Chamber of Commerce and Industry. Recently, he has been nominated as a member of the Advisory Council of the University of Mumbai by the Hon'ble Governor of Maharashtra.



**Dilip D. Dandekar**  
Independent Director

Dilip Dandekar has over 45 years of experience in marketing, administration and overall management of companies. He is the Chairman of Kokuyo Camlin Ltd, and Camlin Fine Sciences Ltd. He served as the President of the Indian Merchants' Chamber and Maharashtra Chamber of Commerce, Industry and Agriculture. He is a member of the Executive Committee of the Federation of Indian Chambers of Commerce and Industry. He is currently the Honorary Consul of Mongolia, Mumbai.



**Rahul L. Kanodia**  
Vice Chairman & CEO

Rahul L. Kanodia has been the chief architect in driving Datamatics to be a leading Digital Solutions Company, focused on enhancing business productivity for digital-first companies through smart automation of data-driven processes. Rahul leads all the strategic and corporate initiatives globally, leading to the long-term growth, profitability and industry leadership for Datamatics. He is also the Chairman of NASSCOM's Regional Council. Rahul holds an MBA from Columbia University (USA) with a major in Business Strategy & Marketing and a minor in Mergers & Acquisition and Turnaround Management.



**R. K. Saraswat**  
Independent Director

R. K. Saraswat has over 40 years of experience in Project Finance, General Administration and Advanced Accounts. He held the positions of Director (Finance) at Datamatics Limited; President, S. M. Dyechem Limited and Senior Vice President, Grasim. At Grasim, he was part of the team that set up its Mangalore refinery project. He is a Commerce graduate and a Fellow of The Institute of Chartered Accountants of India.



**Sameer L. Kanodia**  
Non-Executive Director

Sameer L. Kanodia has more than 20 years of experience and drives various strategic initiatives, expansion plans and go-to-market strategies for Datamatics. He has managed several large and complex projects. He received his Bachelor of Science in Business Administration degree from Bryant University, USA, with a major in Marketing. Sameer subsequently did his Master's in Business Administration from Bryant University with a major in Finance. He has been a member of the Board of Trustees at his alma mater, Bryant University, since 2008 and also been a member of the IT Committee at the Indian Merchant's Chamber, Mumbai, since 2010.



**Mona Bhide**  
Independent Director

Ms. Mona Bhide has been in legal practice since the year 1989 and is the Managing Partner of Dave & Girish & Co. Advocates. Her practice revolves around corporate law, securities and banking transactions, capital markets, structured finance, securitisation, swaps, derivatives, mergers and acquisitions and restructuring. Ms. Bhide is also advisor to various MNCs, banks and financial institutions. Her education in India is B.Com and LL.B from University of Mumbai and she has studied further for graduation with an LLM degree from Northwestern University, School of law, Chicago. In United States she worked at Sedgwick, Deetert Moran and Arnold, an international law firm and research at the American Bar Foundation, at Chicago, USA on the topics like SEC Regulations; Conflicts of interest; and Globalization of the legal profession. Currently, she is also on the Board of National Stock Exchange, Alliance of Business Lawyers, Vinati Organics Ltd. and GIC Housing Finance Limited apart from Datamatics Global Service Ltd.



**Asha L. Kanodia**  
Non-Executive Director

Asha L. Kanodia graduated in Psychology from the University of Mumbai. She studied Social Psychology at the Massachusetts Institute of Technology, US. She is also an Interior Designer and has designed most of Datamatics offices.



**Vinay M. Aggarwal**  
Independent Director

Vinay Aggarwal has an MBA in Finance from North Eastern University, USA. After a stint with Unisys at their world HQ in Detroit, he became the Vice President of Tata Unisys Ltd. (1981- 88). Thereafter, he was appointed as the CFO of TCS (1990- 2003). He also worked briefly as the CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an Independent Consultant.



## Leadership Team



**Rahul L. Kanodia**  
Vice Chairman & CEO



**Brajesh Ugra**  
President - Global Sales



**Divya Kumat**  
EVP, Chief Legal Officer &  
Company Secretary



**Mitul Mehta**  
SVP &  
Chief Marketing Officer



**Navin Gupta**  
EVP & Head-Business Process  
Management Services



**Rajesh Agarwal**  
SVP - Intelligent Automation  
Implementation



**Dr. Rima Chowdhury**  
EVP, Chief Human Resources  
Officer & CSR Leader



**Sachin Rane**  
EVP and Head-Software  
Solutions



**Sandeep Arora**  
EVP & Global Head- Customer  
Management & Consulting



**Sandeep Mantri**  
SVP and Chief Financial Officer



**Sanjeet Banerji**  
EVP & Head - Artificial Intelligence  
& Cognitive Sciences



**Sanjeev Subhedar**  
President & Head -  
Engineering Solutions



**Shashi Bhargava**  
EVP & Head -  
Intelligent Automation Products



## Corporate information

**Registered Office**  
Knowledge Centre  
Plot No. 58, Street No. 17  
Andheri (E)  
Mumbai – 400093  
Tel: +91 (22) 6102 0000 – 0005  
Fax: +91 (22) 2834 3669

**Corporate Identification Number (CIN)**  
L72200MH1987PLC045205

**Registrar & Share Transfer Agents**  
Datamatics Business Solutions Limited  
Plot No. B-5, Part B, Cross Lane  
MIDC, Andheri (E)  
Mumbai – 400093  
Tel: +91 (22) 6671 2151  
Fax: +91 (22) 6671 2230  
Email: [depository@datamaticsbpm.com](mailto:depository@datamaticsbpm.com)

**EVP, Chief Legal Officer  
& Company Secretary**  
Divya Kumat

**Auditors**  
M/s. M L BHUWANIA AND CO LLP

**Solicitors**  
Chambers of Amir Arsiwala  
Advocates & AOR, Supreme Court of India

**Bankers**  
Citi Bank  
ICICI Bank Limited  
HDFC Bank Limited  
Standard Chartered Bank



HAPPY CUSTOMERS  
MAKE US HAPPY



# NOTICE

**NOTICE** is hereby given that the **THIRTY THIRD ANNUAL GENERAL MEETING (AGM)** of the members of **DATAMATICS GLOBAL SERVICES LIMITED** will be held on Thursday, September 30, 2021 at 11.30 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") facility to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:
  - (a) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2021, together with the Reports of the Auditors thereon;
  - (b) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2021, the reports of the Board of Directors and the Auditors thereon; and
2. To appoint a Director in place of Mr. Sameer L. Kanodia (DIN: 00008232), who retires by rotation and being eligible, offers himself for re-appointment.

By **Order of the Board of Directors**

Sd/-

**Divya Kumat**  
EVP, Chief Legal Officer &  
Company Secretary

Place : Mumbai  
Date : May 26, 2021

## Registered Office:

Knowledge Centre, Plot No. 58, Street No. 17,  
MIDC, Andheri (E), Mumbai - 400 093.  
CIN: L72200MH1987PLC045205  
Tel: +91(22) 61020000/1/2 | Fax: +91(22)28343669  
Website: [www.datamatics.com](http://www.datamatics.com)  
Email: [investors@datamatics.com](mailto:investors@datamatics.com)

## NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 02/2021 dated January 13, 2021 read with Circular No. 20 dated May 5, 2020, Circular No. 17 dated April 13, 2020 and circular No. 14 dated April 8, 2020 (hereinafter collectively referred to as "MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/ 2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated May 12, 2020 and January 15, 2021 respectively, permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. **Hence, Members can attend and participate in the AGM through VC/OAVM only.** The deemed venue for the Annual General Meeting of the Company shall be the Registered Office of the Company.
2. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company / Depositories in accordance with the aforesaid MCA and SEBI Circulars. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2020-21 will also be available on the Company's website [www.datamatics.com](http://www.datamatics.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed to the Notice.
4. Pursuant to the provisions of the Companies Act, 2013 ('the Act'), a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
6. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM

through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to [swapneel@spassociates.co](mailto:swapneel@spassociates.co) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Datamatics Business Solutions Limited ("DBSL") for assistance in this regard.
8. The Register of members and Share Transfer Books of the Company will be closed from Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive).
9. **To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with DBSL in case the shares are held by them in physical form.**
10. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to DBSL in case the shares are held by them in physical form.  
  
SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to DBSL.
11. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to DBSL in case the shares are held in physical form.
12. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or DBSL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
13. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
14. Shareholders are requested to forward their queries on the annual report for the financial year ended March 31, 2021 to the Company on [investors@datamatics.com](mailto:investors@datamatics.com) on or before September 23, 2021.
15. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in). Members' attention is particularly drawn to the "Corporate Governance" section with respect to unclaimed and unpaid dividends.
16. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
17. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.
18. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
19. **Instructions for voting through electronic means (e-voting):**
  - I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the Company is pleased to provide to its Members facility to exercise their right to vote on resolutions proposed to be passed in the Meeting by electronic means.
  - II. The Company has engaged the services of NSDL as the Agency to provide remote e-Voting facility and e-Voting during the AGM.
  - III. The Board of Directors has appointed Mr. Swapneel Vinod Patel, Company Secretary in Practice (Membership No. A41106/Certificate of Practice No. 15628) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
  - IV. The Results of voting will be declared within 48 hours from the conclusion of the AGM. The declared Results, along with the Scrutinizer's Report will be submitted with the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website [www.datamatics.com](http://www.datamatics.com) and NSDL's website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- V. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Thursday, September 23, 2021. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.
- VI. The remote e-Voting facility will be available during the following period:
- Commencement of remote e-Voting: 09:00 A.M. (IST) on Monday, September 27, 2021.
  - End of remote e-Voting: 05:00 P.M. (IST) on Wednesday, September 29, 2021.
  - The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period.
- VII. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.
- VIII. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- IX. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning their demat account number / folio number, PAN, name and registered address. However, if he / she is already registered with NSDL for remote e-Voting then he / she can use his / her existing User ID and password for casting the vote.
- X. The Registers required to be maintained under the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode. Members can inspect the same by sending an email to [investors@datamatics.com](mailto:investors@datamatics.com).
- XI. Process and manner of remote e-voting:
- Members are requested to follow the below instructions to cast their vote through e-Voting:
- The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system.

Step 2: Cast your vote electronically on NSDL e-Voting system.

#### Step 1: Access to NSDL e-Voting system:





##### A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Service website of NSDL. Open web browser by typing the following URL : <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section. A new screen will open. You will have to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "<b>Login</b>" which is available under 'Shareholder/Member' section. A</li> </ol>



	<p>new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div><p>NSDL Mobile App is available on</p><div> App Store</div><div> Google Play</div><div></div><div></div></div>	<p>user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
	<p>Individual Shareholders (holding securities in demat mode) login through their depository participants.</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>
<p><b>Important note:</b> Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.</p> <p><b>Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.</b></p>		
<p>Individual Shareholders holding securities in demat mode with CDSL.</p>	<p>1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</p> <p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on NSDL to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the</p>	<p><b>Login type</b></p> <p>Individual Shareholders holding securities in demat mode with NSDL.</p>
		<p><b>Helpdesk details</b></p> <p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30.</p>
	<p>Individual Shareholders holding securities in demat mode with CDSL.</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022- 23058542-43.</p>
<p><b>B. Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.</b></p> <p><b>How to Log-in to NSDL e-Voting website?</b></p> <p>1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a Personal Computer or on a mobile.</p> <p>2. Once the home page of e-Voting system is launched click on the icon "Login" which is available under 'Shareholder/Member' section.</p>		

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- How to retrieve your 'initial password'?
  - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
- After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
- Now, you will have to click on "Login" button.
- After you click on the "Login" button, Home page of e-Voting will open.

## Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

### How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

- After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
- Now you are ready for e-Voting as the Voting page opens. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
- Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
- Upon confirmation, the message "Vote cast successfully" will be displayed.
- You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### General Guidelines for shareholders:

- Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen



signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to [swapneel@spassociates.co](mailto:swapneel@spassociates.co) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on <https://www.evoting.nsdl.com> to reset the password.
- In case of any queries relating to e-voting you may refer to the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of <https://www.evoting.nsdl.com> or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

- In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investors@datamatics.com](mailto:investors@datamatics.com).
- In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investors@datamatics.com](mailto:investors@datamatics.com). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
- Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
- In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

#### THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE EGM:

- The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not

casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

- Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**In case you have not registered your e-mail address with the Company/ Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and / or login details for e-voting:**

<b>Physical Holding</b>	Send a request to the Registrar and Transfer Agents of the Company, DBSL at <a href="mailto:investorsqry@datamatics.bpm.com">investorsqry@datamatics.bpm.com</a> providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details: a) Name and Branch of the Bank in which you wish to receive the dividend, b) the Bank Account type, c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions d) 9 digit MICR Code Number, and e) 11 digit IFSC Code f) a scanned copy of the cancelled cheque bearing the name of the first shareholder.
<b>Demat Holding</b>	Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP.

#### 20. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM:

- Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password

for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Members seeking any information with regard to the annual accounts for 2020-21 or any business to be dealt at the AGM, are requested to send an e-mail on [investors@datamatics.com](mailto:investors@datamatics.com) on or before September 23, 2021 along with their name, DP ID and Client ID/ folio number, PAN and mobile number. The same will be replied by the Company suitably.
6. A facility will be provided to the Shareholders attending

the meeting through VC / OAVM, whereby they can pose questions concurrently, during the proceeding of the meeting. Questions raised during the meeting will be responded by the Company suitably. The Company however reserves the right to limit and respond to queries raised by members.

**By Order of the Board of Directors**

Sd/-  
**Divya Kumat**  
**EVP, Chief Legal Officer &**  
**Company Secretary**

Place : Mumbai  
Date : May 26, 2021

Registered Office:  
Knowledge Centre, Plot No. 58, Street No. 17,  
MIDC, Andheri (E), Mumbai - 400 093.  
CIN: L72200MH1987PLC045205  
Tel: +91(22) 61020000/1/2 | Fax: +91(22)28343669  
Website: [www.datamatics.com](http://www.datamatics.com)  
Email: [investors@datamatics.com](mailto:investors@datamatics.com)



**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE AGM PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD ON GENERAL MEETINGS (SS-2), ISSUED BY THE INSTITUTE OF COMPANY SECRETARIES OF INDIA:**

Name of Director	Mr. Sameer L. Kanodia
DIN	00008232
Date of birth	January 30, 1975
Age	46 Years
Qualification	Bachelor of Science in Business Administration degree from Bryant University, USA, with a major in Marketing. Master's in Business Administration from Bryant University with a major in Finance.
Expertise in specific functional areas	He has more than 20 years of professional experience and has expertise in Business Management, strategic initiatives, expansion plans & go-to-market strategies.
Date of first appointment on the Board.	January 30, 2008
No. of Meetings of the Board attended during FY 2020-21	6 out of 6 meetings held
Directorship held in other companies (excluding foreign, private and Section 8 Companies and Datamatics Global Services Limited).	Lumina Datamatics Limited Datamatics Robotics Software Limited LDR eRetail Limited
Membership in Committees (This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies, excluding Datamatics Global Services Limited.)	Audit Committee, Lumina Datamatics Limited
Shareholding in the Company	14,72,858 Equity Shares
Directorship in other listed entities	NA
Disclosure of relationships between directors inter-se	He is son of Dr. Lalit S. Kanodia & Mrs. Asha L. Kanodia and brother of Mr. Rahul L. Kanodia, Directors of the Company.

By **Order of the Board of Directors**

Sd/-

**Divya Kumat**  
EVP, Chief Legal Officer &  
Company Secretary

Place : Mumbai

Date : May 26, 2021

Registered Office:

Knowledge Centre, Plot No. 58, Street No. 17,  
MIDC, Andheri (E), Mumbai - 400 093.

CIN: L72200MH1987PLC045205

Tel: +91(22) 61020000/1/2 | Fax: +91(22)28343669

Website: [www.datamatics.com](http://www.datamatics.com)

Email: [investors@datamatics.com](mailto:investors@datamatics.com)

# BOARD'S REPORT

On behalf of the Board of Directors, I am happy to present the 33<sup>rd</sup> Board's Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2021.

## FINANCIAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2021 as compared to the previous financial year ended March 31, 2020 is summarized below:

(₹ in millions)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	11,490.53	12,033.24	4,576.63	4,698.17
Operating Profit before Other Income, Interest, Depreciation and Tax	1,422.42	1,235.73	489.45	552.97
Other Income	107.53	205.10	108.60	155.78
Interest	32.44	46.26	29.29	24.35
Profit before Depreciation and Tax	1,497.51	1,394.57	568.76	684.40
Depreciation	394.81	369.97	132.46	133.02
Share of profit of Joint Venture	4.36	12.03	-	-
Profit Before Exceptional Items and Tax	1,107.06	1,036.63	436.30	551.38
Exceptional items	(13.43)	(157.72)	328.69	-
<b>Profit Before Tax</b>	<b>1,093.63</b>	<b>878.91</b>	<b>764.99</b>	<b>551.38</b>
Provision for Taxation	253.52	261.84	201.89	148.25
<b>Profit After Tax</b>	<b>840.11</b>	<b>617.07</b>	<b>563.10</b>	<b>403.13</b>
Share of Minority Interest in Profit for the year	42.65	(20.37)	-	-
Profit for the year	797.46	637.44	563.10	403.13

The Company has prepared the financial statements in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

There are no material departures from the prescribed norms stipulated by the Accounting Standards in preparation of the Annual Accounts. Accounting policies have been consistently applied except where a newly issued accounting standard or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use. Management evaluates all recently issued or revised accounting standards on an ongoing basis. The Company discloses consolidated and standalone financial results on a quarterly basis which are subjected to limited review and publishes consolidated and standalone audited financial results on an annual basis.

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

The Company is a global Technology, BPM and Digital Solutions organization providing intelligent solutions for data driven businesses to increase productivity and enhance the customer experience.

On a Consolidated basis, your Company achieved revenue from operations of ₹ 11,490.53 million, decrease by 4.5% as compared to ₹ 12,033.24 million in the previous year. The decrease was mainly due to Cignex which was divested on 1st January 2021.

Consolidated Operating Profit before Other Income, Interest, Depreciation and Tax were at ₹ 1,422.42 million as compared to ₹ 1,235.73 million resulted in to an increase of 15.1%

The revenue from operations on a standalone basis is ₹ 4,576.63 million, decrease by 2.6% as compared to ₹ 4,698.17 million in the previous year.

Standalone Operating Profit before Other Income, Interest, Depreciation and Tax were at ₹ 489.45 million as compared to ₹ 552.97 million resulted in to a decrease of 11.5%.

The Group recorded the following non-recurring expenses and income as exceptional items:

(₹ in millions)

Sr. No.	Description	Consolidated		Standalone	
		2020-21	2019-20	2020-21	2019-20
1	Impairment of goodwill of Vista, a business segment of the group.	(99.24)	-	(99.24)	-
2	Exchange Income arising on partial redemption of preference shares of Datamatics Global Technologies Limited (Mauritius), a subsidiary.	121.54	-	121.54	-
3	Gain on Divestment of Cignex Datamatics Corporation BVI to third party, a subsidiary.	36.50	-	-	-
4	Exchange Income arising on partial buy back of shares of Lumina Datamatics Inc., a subsidiary.	194.42	-	-	-
5	Impairment charges of assets of Lumina Datamatics GmbH and Lumina Datamatics Analytics and Assessment Limited, subsidiaries.	(266.65)	-	-	-
6	Goodwill Impairment of Duo, a step down subsidiary.	-	(157.72)	-	-
7	Gain on fair value on redemption of preference shares in Datamatics Mauritius and Lumina Datamatics.	-	-	306.39	-
<b>Total</b>		<b>(13.43)</b>	<b>(157.72)</b>	<b>328.69</b>	<b>-</b>

## DIVIDEND

In order to conserve the resources of the Company for growth especially keeping in view the prevailing volatile economic situation, your Directors have decided not to recommend any dividend on the equity shares of the Company for the Financial Year ended March 31, 2021.

The Dividend Distribution Policy of the Company was approved by the Board at its meeting held on May 26, 2021 and is available on the Company's website at <https://www.datamatics.com/about-us/investor-relations/corporate-governance>

## TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation. However, credit balance of Profit and Loss of ₹ 2,883.46 million is transferred to Balance Sheet under the head 'Reserves and Surplus.'

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In terms of Section 125 of the Companies Act, 2013 ("the Act"), unclaimed or unpaid Dividend relating to the financial year 2013-14 is due for transfer on October 22, 2021 to the IEPF established by the Central Government. More details are available on <http://www.datamatics.com/investors/unpaidunclaimed-dividend>.

The Shareholders of the Company who have not received or encashed their dividend warrants are requested to claim the unpaid/unclaimed dividend from the Company before its transfer to IEPF.

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

## ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits during the Financial Year 2020-21 in terms of Chapter V of the Act.

## SUBSIDIARY COMPANIES

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2021:

1. Cybercom Datamatics Information Solutions Limited
2. Lumina Datamatics Limited
3. Datamatics Digital Limited®
4. Datamatics Staffing Services Limited
5. CIGNEX Datamatics Technologies Limited<sup>\$</sup>
6. LDR eRetail Limited
7. Datamatics Robotics Software Limited
8. RJ Globus Solutions Private Limited\*
9. LD Publishing & eRetail Limited<sup>#</sup>

@ Merged with and into parent Company, Datamatics Global Services Limited w.e.f. December 7, 2020.

\$ Divested w.e.f. December 31, 2020

\* Under process of striking off.

# Striked off w.e.f. March 22, 2021.

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2021:

1. Datamatics Global Services, Inc. (US)
2. Datamatics Infotech Limited (UK)
3. Datamatics Global Services Pty Limited (Australia)
4. Datamatics Global Technologies Limited (Mauritius)
5. Datamatics Global Technologies AG (Switzerland)
6. Datamatics Global Services FZ-LLC (Dubai)
7. Datamatics Global Services Corp. (Philippines)
8. Datamatics Robotics Software Inc. (US)
9. Lumina Datamatics Inc. (US)
10. Lumina Datamatics GmbH (Germany)
11. Lumina Datamatics Assessment and Analytics LLC (US)

12. CIGNEX Datamatics Corporation (BVI)<sup>#</sup>
13. CIGNEX Datamatics, Inc. (Michigan)<sup>\$</sup>
14. CIGNEX Datamatics GmbH (Germany)<sup>\$</sup>
15. CIGNEX Datamatics Pte. Limited (Singapore)<sup>\$</sup>
16. Duo Consulting Inc. (US)\*
17. RJ Globus, Inc. (US)
18. RJ Globus Solutions Inc. (Philippines)
19. Datamatics Global Services BV (Netherlands)

<sup>#</sup> Liquidated w.e.f. August 17, 2020.

<sup>\$</sup> Divested w.e.f. December 31, 2020.

\*Sold on April 1, 2020.

In accordance with Section 129 (3) of the Act, the statement containing salient features of the financial statements of the subsidiaries in Form AOC-1 is given in the financials section.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company including Consolidated Financial Statements along with relevant documents and separate Audited Financial Statements in respect of subsidiaries are available on the website of the Company.

## SHARE CAPITAL

As on March 31, 2021, the paid-up share capital of the Company was ₹ 294.75 million divided into 5,89,49,337 equity shares of ₹ 5/- each fully paid up. During the year, there has been no change in the paid-up share capital of the Company.

The authorized share capital of the Company was ₹ 975.5 million as on March 31, 2020. During the year, the Scheme of Amalgamation for the merger by way of absorption of Datamatics Digital Limited ("the Transferor Company" or "DDL") with and into Datamatics Global Services Limited ("the Transferee Company" or "DGSL"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder, was heard by the Hon'ble National Company Law Tribunal (NCLT) and the final order was passed dated November 6, 2020 approving the scheme. The merger became effective from December 7, 2020 after complying with all statutory requirements.

As per the terms of the order of NCLT, the authorized share capital of ₹ 6 million of DDL shall automatically get merged with that of authorized share capital of DGSL.

Hence, the authorized share capital of the Company as on March 31, 2021 is ₹ 981.5 million.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retirement by Rotation.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sameer L. Kanodia [DIN – 00008232 – Non-Executive Director], retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment.

Brief particulars and expertise of directors seeking appointment/re-appointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the AGM in accordance with the requirements of the Listing Regulations and Secretarial Standards.

## Declaration by Independent Directors

The Company has received declarations from all the Independent Directors of the Company confirming that they met the criteria of independence as prescribed under Section 149 (6) of the Act and Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Board of Directors of the Company is of the view that all the Independent Directors including those who are appointed / re-appointed during the year under review fulfil the criteria of independence and they are independent from the management of the Company. All Independent Directors of the Company have confirmed that they have registered themselves with Independent Directors' Database of IICA and will appear for the online proficiency test of IICA, if applicable.

## MEETINGS OF THE BOARD

During the financial year, six (6) meetings of the Board of Directors were held, the details of which are given in the Corporate Governance Report of the Company, which forms part of this Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act.

## BOARD AND COMMITTEE EVALUATION

The Companies Act, 2013 and SEBI Listing Regulations contains broad provisions on Board Evaluation i.e. evaluation of the performance of (i) the Board as a whole, (ii) individual Directors (including Independent Directors and Chairperson) and (iii) various Committees of the Board.

Pursuant to the said provisions, the Board has carried out the annual performance evaluation of the entire Board, its Committees and all the Directors based on the parameters specified in the Report of Corporate Governance.

A separate meeting of Independent Directors was held to discuss the performance of Non-Independent Directors, Board as a whole and Chairman after considering the views of Executive Directors and Non-Executive Directors.

## FUTURE GROWTH STRATEGY

It is one year since COVID-19 was declared a global pandemic and the threat of pandemic is far from over. Though world economy is recovering and the economic outlook is positive, the uncertainties related to the pandemic spread and severity within different regions and corresponding lockdowns can severely impact the businesses across the world.

Like last year, Datamatics priorities continue to be employee well-being, servicing and retaining customers and tightly managing cash-flows.

**Employee well-being** is of foremost importance for Datamatics. Protecting the health and life of all Datamaticians and their families occupies centre stage. At a company level, Datamatics is implementing all the guidelines recommended by the Government to ensure the safety and well-being of employees and to reduce the spread of the pandemic in the society at large.

**Focus on customers:** During past one year Team Datamatics worked exceedingly well working from home as well as in hybrid model and ensured continuity of services for our customers. Datamatics has the necessary infrastructure in place to ensure smooth functioning of business. Datamatics was appreciated by several of its customers for its delivery excellence over the past year and has received commendations from its customers.





As customers are increasingly adopting digital technologies to drive their businesses, it has provided an excellent opportunity to partner with them in implementing digital transformation solutions that would enable them to remain competitive. The Company has seen an increased demand from its customers for digital technologies and is fully geared up to service them.

**Managing cash-flow and cost optimization** continues to be a top priority for the Company. The Datamatics Management team is keeping a keen eye on cash flow, taking all the necessary efforts to actively conserve cash and curtail all discretionary spends.

Looking ahead, Datamatics will continue to focus on technologies, such as Intelligent Document Processing, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence. These digital technologies are some of the thrust areas for Datamatics and the Company is investing in developing intelligent innovative solutions in these areas.

Datamatics will continue to invest in developing as well as updating its own IP solutions in the digital technology space. Datamatics is expanding its partner network and believes that the evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP solutions globally.

In addition to digital technologies, Datamatics has been focusing on areas, such as Automated Fare Collection and Smart transport as growth areas in India as well as across the globe and will continue the focus.

Datamatics is seeing an increase in demands in technology spending cycles, both from new and existing clients. This acceleration is expected to remain a key growth driver for the IT industry for the next few years as digital transformation plays out. It is an era of technology upgradation which is creating huge opportunities for the IT industry. Datamatics is also seeing specific opportunities in the process automation and dynamic content management areas.

Overall, Datamatics is well prepared to address the challenge posed by COVID-19 pandemic and remains cautious and at the same time confident of sustaining the growth momentum in coming year.

#### KEY BUSINESS DRIVERS FOR DATAMATICS IN FY 21

- **Products & Platforms:** Datamatics is investing in developing as well as updating its own IP solutions in the digital technology space. Datamatics products and platforms such as TruBot for Robotic Process Automation, TruCap+ for intelligent data capture, iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection, are getting good traction in the market.
- **Partner and reseller channels:** On the back of product strategy, Datamatics continues to invest in expanding its partner network. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally. The partner strategy has now started showing results with some deals being closed and a healthy pipeline.
- **Automated Fare Collection (AFC):** This has been a focus area for Datamatics, with it being the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. Datamatics sees this as a huge opportunity in US and emerging economies around the world, including India. Currently Datamatics has made substantial progress in implementing AFC solutions for

Mumbai Metro (Line 2A and 7); and Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA.

- **Digital Solutions – Intelligent Automation, Digital Experiences, Cloud:** Datamatics is well positioned to implement digital technologies, such as Intelligent Document Processing, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY21, Datamatics continued making significant efforts and investments in strengthening its digital footprint.
- **Account Penetration:** Datamatics has customers across industries; many of these are Fortune 500 companies. Datamatics is focusing on deeper penetration within the customer accounts through account management for cross-selling and up-selling through its integrated sales and marketing efforts.
- **Branding & Marketing:** Datamatics has been investing in marketing and branding efforts for increasing visibility, strengthening digital footprint and geographic reach. In FY21 Datamatics engaged with prospects and customers through virtual seminars and digital campaigns. Datamatics also successfully conducted its virtual Intelligent Automation Summit which was attended by senior professionals from different industries across the globe.

#### INTELLIGENT AUTOMATION PLATFORM (IAP)

In the wake of pandemic induced lockdowns, work from home, and COVID absenteeism; automation has emerged as a strategic initiative to ensure business continuity. Gartner predicts that by 2022, 65% of organizations that deployed automation capabilities will introduce artificial intelligence (AI) and intelligent document processing (IDP). It further projects hyper-automation market to be of \$25 Billion in 2021 growing at 18.8% CAGR and thereby amounting to \$46 Billion by 2025.

Datamatics Intelligent Automation Platform (IAP) is a unified platform to automate a series of tasks, processes, and unstructured and semi-structured data in documents; addressing the automation needs of the businesses. The IAP combines the capabilities of TruBot for Robotic Process Automation (RPA), TruCap+ for Intelligent Document Processing (IDP) along with artificial intelligence (AI)/machine learning (ML) models developed by Datamatics. This year Datamatics launched a new AI-enabled TruCap+ IDP solution which was recognized as a Major Contender and Star Performer by Everest Group in its IDP PEAK Matrix® 2021.

The company continued to receive several rewards and recognitions for its Intelligent Automation Platform. TruBot RPA was recognised at Gold Stevie Award 2020 for 'Sales & Customer Service' while TruCap+ IDP won People's Choice Stevie Award 2020 for 'Favourite New Products.'

For enhancing the market visibility and to generate new leads, apart from various online events and lead generation activities, Datamatics successfully conducted its virtual Intelligent Automation Summit. This summit was attended by over 1700 senior professionals from different industries across Americas, Europe, Middle East and India regions.

The strong presence in the global events & seminars and

continuous engagement has given a boost to the visibility of Datamatics solutions and the company has got a good coverage by reputed analyst firms including Gartner, Everest, ISG, 451 Research, etc.

- TruBot RPA recognized as a Strong Performer in Forrester Wave for RPA, Q1 2021;
- TruCap+ IDP recognized as a Major Contender and Star Performer in Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2021;
- Datamatics recognized as Major Contender in the Everest Intelligent Process Automation (IPA) – Solutions PEAK Matrix® Assessment 2021;
- TruCap+ IDP recognized as a Leader in SPARK Matrix: Intelligent Document Processing (IDP), 2020;
- Datamatics named as Product Challenger in the ISG Provider Lens™ Intelligent Automation – Solutions and Services – US and UK 2020;
- Datamatics recognized in the Gartner Peer Insights 'Voice of the Customer': Robotic Process Automation 2020;
- TruBot RPA recognized by Everest Group as a Major Contender in its Robotic Process Automation (RPA) Peak Matrix 2020;
- Datamatics acknowledged as a key player in RPA market in the report 'Datamatics looks to broaden its footprint in the RPA market' by 451 Research.

## QUALITY

Quality is the sine qua non for your company. A relentless focus on Customer delight, continuous process improvements and lean and efficient processes have been the hallmarks of the company for years. This is what gives us an edge over our competition. A look at the average duration a customer has been happily associated with Datamatics is an eloquent testimony to our untiring commitment to quality. In the present challenging and constraining Covid 19 times, our team members stepped up their efforts and left no stone unturned to ensure that the customers continue to receive same level of stellar support as the previous normal times. Quality at Datamatics is a legacy that is being ably carried forward by the present team as well. The industry has also been recognizing the company's performance. This year too, your company and its personnel featured prominently at various platforms by winning prestigious awards.

Your Company is the first and the only I.T. Company to have won the "International Asia Pacific Award" for Quality in services sector. The Award was won against competition from hundreds of companies from 38 countries spread across the world, including the US, Japan, Australia, New Zealand, Russia, Canada, China, Israel, South Korea, Peru and Mexico. Your Company also won the prestigious "IMC IT Award for Quality" in January 2014. We have won the Global Quality Challenge award of one of the fortune 100 organizations for the ninth time.

Further significant initiatives of the Company towards quality are:

### 1) Certifications:

The Company's quality management systems (QMS) that forms the backbone of all the processes and the way day-to-day operations are carried out is a very comprehensive and robust standard that draws from a host of international standards and

benchmarks. This includes ISO 9001:2015, SEI CMMI, ITIL, Agile, ISO 20000 and so on. The QMS has been successfully assessed and certified for ISO 9001:2015, CMMI (Dev) Ver 1.3 high maturity level L4 and CMMI (Svc) Ver 1.3 L3. During all the surveillance periodic assessment audits, there has been no major non-conformity observed. All the new centers that we added in the financial year have also been successfully assessed and certified to the above international standards.

As you are aware, with the growing complexity of the digital economy and the present COVID 19 situation where we have been forced to switch significantly to work from Home model, the threat on the information security and data also increases in terms of complexity and impact. Your company is fully aware of this challenge and we constantly keep upgrading our information security management systems (ISMS). Our operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements. As you would be aware, these standards are extremely important for Financial, Insurance and Healthcare industries.

Our commitment to ensure a robust information security management system for our customers has been bolstered by these certifications. We have implemented Security Information and Event Management (SIEM) solution as well which will further strengthen the Information security management. During the COVID 19 lockdown and remote working methodology, there has been a palpable increase in the threat to information and data security. Pre-empting such threats we have secured our networks further, addressed end point vulnerabilities and implemented mechanisms and tools to address advanced persistent threats (APTs) from all kind of malware attacks. There is an increased focus on employee awareness around information security as well for proactive and preventive measures to thwart any malicious attack. There is a conscious thrust on risk management as an organization strategy and the risks and mitigation plans are reviewed regularly at all pertinent levels.

A lot of thrust has also been put in enhancing the overall project management skills of our project managers through formal PMP certification from PMI, USA.

## GDPR REGULATIONS AND DATA PRIVACY ACT

As you would be aware, General Data Protection Regulations (GDPR), the most important regulation around data privacy in the European Union region came into force a couple of years back. All our contracts with the customers in the EU region have been revised to incorporate the requirements of GDPR. Our processes have been further strengthened around the GDPR requirements. A dedicated Data Protection Officer (DPO) has been appointed to address issues, if any, raised around GDPR compliance. All the relevant employees and management have been trained on GDPR principles and requirements. GDPR awareness is an integral part of the employee induction program.

We are also gearing our processes to address all the requirements of the Data Privacy Act of India. We plan to get assessed and certified to Data Privacy standard, ISO 27701.

### 2) Customer Satisfaction Tracking:

As you're aware, your company conducts customer satisfaction surveys at the end of every major milestone to assess customer's perception of our services. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the company.



We feel proud to share with you that we continue a stellar performance on this count. Your company scored 5.31 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that 87.3% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely satisfied and Delighted. 52 customers have rated us as delighted on all the parameters. We believe that in the modern environment Customer Experience i.e. the impression that our customers make during their interaction with us, is extremely critical. Customer Experience, apart from the feedback on the hard deliverables, is an integral part of these surveys. We are glad to share that the results are extremely positive on this front.

Apart from this, the more frequent and real time Customer Feedback Capture mechanism that captures feedback through other formal and informal channels also reports an improving trend in the customer sentiment towards our processes and performance.

### 3) Continuous Improvement - Lean Six Sigma:

The Company has a mature and well-entrenched continuous improvement program. This program is based on the principles of Lean, Six Sigma and Kaizen. The program focusses on making our processes more efficient, productive, accurate and cost effective. The program continues to deliver significant benefits to the organization with improvements in productivity, efficiency, accuracy and customer satisfaction. Overall 445 Lean Six Sigma projects and 1950 Kaizens were successfully completed since 2007.

The Company has about 30 Six Sigma Green Belt and 55 Six Sigma White Belt certified professionals along with 6 Six Sigma Black Belt and 1 Six Sigma Master Black Belt certified professionals. The Company spent over 2100 person hours of training around continuous improvement in the FY 2020-21.

## HUMAN RESOURCE MANAGEMENT

The year 2020-21 saw Corporate India severely hit by COVID -19 and global lockdowns, and we had to rapidly shift gears, to transform how we support our employees, clients, stakeholders and continue 'Business as Usual'. The Human Resource function the 4C strategy of Collaborate, Communicate, Connect and Contribute to address the dynamic, unprecedented scenario, and lead transformation, all the while being '(Socially) Distanced yet (Mentally) connected with the employees. The global headcount of employees as on March 31, 2021 was 10,000 plus.

At Datamatics, we have a significant number of our employees, offering technology support to companies that cater to essential services. It was imperative for us to ensure the business continuity especially for these functions, even in lockdown period, irrespective of the challenges. It helped us to have a pre-existing Work From Home (WFH) policy, but the sudden crisis definitely required us to re-think, re-assess and re-work on existing company norms, and within a very short span.

In many locations, we moved to 100% WFH mode overnight with our global Admin and IT Operations support, to provide the infrastructure to continue work. In Philippines, where there was immediate strict lockdown, some employees were provided accommodation for more than 15 days in hotels near our offices, so they were safe and well taken care of. Indian nationals travelling abroad were brought back home, on priority and employees in need of immediate assistance, be it financial or housing were provided (at times, even using personal network to ensure support). While announcing part-closure of offices in US, as per local regulatory norms, we ensured work continues for

every business and client deliverables are honoured.

## TALENT ACQUISITION

'Honoring Commitments' the value system at Datamatics was the guiding light in all our activities - all offers made before lockdown continued to be honored through e-onboarding and remote support. Open positions were regularly shared through mails and social media, thereby generating hope for Talent in the otherwise gloomy job market.

In spite of challenges of lockdown, the Talent Acquisition Team ensured timely onboarding at the right cost & quality across diverse functions, skills and geographies. The team has been using innovative methods of hiring with an extensive focus towards mapping, networking & social media for niche & leadership hiring. The team worked seamlessly the entire year from WFH and WFO model and swiftly adapted to the new normal.

The team explored and expanded the alternative talent sourcing medium i.e. gig economy, freelancers and part-timers for one of the rapidly growing lines of service (CMS), and also managed to position a large number of resource pool employees to various projects in quick time. The team partnered with prestigious educational institutions like IIT Kharagpur, IIM Rohtak, IIM Jammu & IIM Amritsar for internship and invested immensely in campus connects. The association would help the organization in acquiring top new talent in the future.

The team has stayed ahead of the curve, with eminent industry practices relevant to resume sourcing, assessments, interviewing, background verification, negotiations and candidate engagement, and the efforts got recognized end of the year by none other than NASSCOM. They featured Datamatics talent acquisition practices in their Best practices compendium, which also featured some big names in the industry. Innovation has been the guiding principle towards relentless improvement, and the team has employed avant-garde strategies like brand-driven job posts, video interviewing, passive candidate engagement, research, social media usage, industry intelligence and effective referral programs. It has also been a continuous effort to establish Datamatics as an Employer of Choice, through powerful messaging around the key Employee Value Proposition.

## LEARNING & DEVELOPMENT

Learning continued throughout the year, despite the challenges, albeit in a new avatar. Corporate L&D team continued to collaborate with all locations in enabling, enriching, and co-creating continuous learning and improvement culture. Some key initiatives were as follows:

- Beyond conventional learnings: Various interventions like LWS: Learning Web Series, LT: Leadership Talks, H2H: Heart-to-heart, LYS- Lead Your Ship were executed for impactful learning. In all, 459 online training sessions were executed to have robust learning culture with 67% increase in participation as compared to last year.
- Digital Learning: We strengthened our LMS platform which offers 100+ wide range of learning modules from compliance, behavioural, technical, Sales sessions etc.
- Learning Mascot- Datamatics DAT (Develop-Aspire-Transform): We launched Datamatics DAT to provide every employee with their own learning buddy to guide them through their learning journey.
- Compliance focus: Learning at Datamatics continues to

stay compliant by successfully completing the capability maturity model integration CMMi certification level 3 as well as surveillance audit for information security management system ISMS.

Learning & Development has clocked 281,563 person hours in the year 2020-21, 3% higher than the year before, with an average feedback of 4.1 out of 5.

## TALENT MANAGEMENT

Talent Management vertical within HR evolved into an HR Centre of Excellence, encompassing the important agenda of Diversity & Inclusion, Employer Branding and CSR while continuing to support all facets of 'Talent' internally at Datamatics.

- Key Talent conversations were initiated by piloting Internal Capability Study, robust performance management process with customized Individual Development Plan creation, performance feedback with concrete steps, for all employees who appeared for Promotion Board. KRA-KPIs were chalked out for leadership team with clear accountabilities, in line with changing expectations, to build a performance-driven culture.
- Through the year, initiatives and activities were conducted keeping in mind inclusion on the "Talent@Home," i.e. family members of Datamaticians - Workshops on Emotional Resilience during Covid times for all women Datamaticians and family members, #heforsheathome a UN Women initiative highlighting reversal of gender norms, complimentary Career Guidance Assessment for children among others.
- Through "Welcome Back" initiative, across global locations, close to a 100 women started their post Maternity Second innings.
- (Wo)Mentoring, i.e. Women Mentoring Women, with their insights and wisdom, was launched for all women in mid-management & above in Datamatics.
- The team initiated and maintained regular positive communication, ensuring visibility across all existing channels, including themes like D&I, CSR & Mental Health (celebrating World Mental Health Day by participating in Mind Matters Week).

## CORPORATE HR

Human resources oversee the most important component of a successful business - a productive, thriving workforce. The fundamental belief is people are assets, whose work is directly related to current and future business success. The HR Business Partners in every location were instrumental in initially facilitating the WFH/ WFR (Work from Home / Work from Remote) model. As the Govt. directives changed, the HRBPs played a crucial role in promoting the Hybrid model at the workplace.

The key initiatives undertaken during the year are highlighted as follows:

- As a special measure to engage with employees across the globe, HR launched a Voice of Employee e-platform "(Socially) Distanced yet (Mentally) Connected" to connect with the employees of individual businesses. Through the themes of Recognition, Appreciation, Emotional well-being, employees felt more aligned to the organization in tough times. The HRBPs were able to communicate with the employees on a regular interval, ensuring that the organisation had the Pulse of the people;

- Select employees were conferred titles as Datamatics Warheroes, Extra Milers and Client Champs who went over and above their call of duty to honor the commitments made to clients and ensured seamless 'Work from Home' for all employees;
- EPP apprenticeship program was extended to Mumbai in Oct 2021, as a part of our skill development agenda in alignment with Govt. norms;
- Automation initiative of critical processes like Joining and Exit, was launched during the year. New Joiner Portal (NJP) and Employee Separation Module (ESM) are now being used across the India locations;
- HR integration of DX with DGSL was successfully completed in Jan 2021;
- HR integration of RJ Globus with DGSL is on track;
- The organisation launched Employee Wellness programs and discounted schemes to address Social, Emotional, Physical, Financial and Environmental well-being;
- Results of Climate survey socialized across businesses and employee groups helped draw an action plan that cut across different levels i.e., Manager, LOS, and Organisation;
- The Company made a special contribution for performers in Datamatics, to help them earn the coveted title of Datamatics Corona Warriors. Link - <https://fight-corona.net/datamatics>.

## US and Overseas HR Operations

US has been a very strategic and critical geography for us, contributing to significant chunk of the business. Throughout the year, Team HR in USA took robust strides to ensure that core Datamatics fabric remained consistent in the workforce.

With excellent execution of end-to-end employee lifecycle processes from hire to retire, they kept the workforce aligned to the organization and stayed connected and engaged throughout.

Though different states within US had different regulatory guidelines, that were extremely dynamic in nature, the team handled the transition very well, of enabling employees to work from home and ensure business continuity. With all Overseas employees, HR business partners maintained close collaboration and responded promptly for all their needs.

## Philippines Human Resource Operations

BPO Industry remains the pillar of Philippine economy and continues to provide employment opportunities amid the pandemic. This contributed to the slight decrease in unemployment rate according to the Philippine Statistic Authority. RJ Globus was able to cope up with the demand to fill up manpower requirements despite steep competition amongst the BPO players. The highlight of the year was, over 500 project based employment and over 400 full time positions were filled up for FY 21.

While acquiring Talent, the team stayed ahead of the curve throughout the year. The Talent Acquisition team was able to pull off business demands of bulk hiring with almost 90% target achievement, for several campaigns with minimal fallouts. The right talent was hired for the organization, with rigorous evaluations and engaging on-boarding process.



After the strategic acquisition of RJ Globus, Philippines by Datamatics, significant efforts have been undertaken, to integrate the operations across entities and the efforts got strengthened with time. In spite of the severe nature of the pandemic, the entire Philippines HR team worked with utmost efficiency, as a well-oiled machinery to manage employee lifecycle operations and corporate HR functions.

With Employee Engagement being a key focus area, the team managed to have a motivated employee base with an energetic new hire orientation program to quickly align the newcomers with the organization. The corporate Voice of Employee initiative of '(Socially) Distanced yet (Mentally) Connected' was rolled out for Philippines as well and employees participated wholeheartedly. Employee communication forum led by HR eg HR Talk, HR Counselling and Focus Group Discussions, guided the employees to course-correct, by identifying their work problems, causes and solutions. The most awaited event of the year was the Annual Recognition Party, an event that had a fine balance of recognizing and rewarding exceptional performance, as well as in-house talent entertaining the audience throughout. Compared to last year, the only difference was, the entire event was online.

However, the spirit of employees was still at an all-time high. As a Socially Responsible Corporate, Datamatics Philippines was always there to help those in need. From the victims of typhoons to the evacuees of Taal, the employees led the way in helping the crisis-hit regions, in their own small way. The annual outreach programs touched the lives of many in the society very positively.

#### CORPORATE SOCIAL RESPONSIBILITY

In these unprecedented times, as a socially responsible Corporate, we have focused our efforts to help fight Corona with our employees' support and leverage our technical expertise. Some notable initiatives were as follows:

- Support the Underprivileged by Slum Adoption & enable long term financial support – Datamatics partnered with the Wockhardt Foundation by supporting its Anaaj+ program. We catered to the needs of over 1000 families affected by COVID 19, by providing groceries & hygiene essentials. We also looked at possible employment opportunities for the youth (who are currently unemployed) by conducting a Talent Pool study;
- MCGM Community Care, Emergency Response Center for Migrants – Datamatics;
- Offered MCGM (Municipal Corporation of Greater Mumbai) support via its expertise in managing call centres and data analytics. Datamatics took over the MCGM Helpline (the primary touchpoint for providing food, shelter, and medicines to all needy, migrant, and below-poverty-line population) and set up a brand-new and very efficient digital call centre providing daily 12-hour support with the help of skilled Datamaticians. To complete the entire loop, Datamatics and Annam & other renowned NGOs donated around 25,000 grocery kits. During this period, Datamatics enabled MCGM to reach over half a million beneficiaries, including the migrant population, without ration cards;
- Extend a helping hand to front liners in tier 3 cities – Datamatics donated Masks and Automatic Hand Sanitizer to Police department, Puducherry, to support their services and help them stay protected while protecting us. The bond got strengthened with the Authorities, with them carrying out physical safety drills, cyber security sessions for us during the year;

- Partner with NGOs like ANEW & Magic Bus and 'not for profit' organizations to provide employment to the underprivileged & marginalized;
- Calamity Response & Community Care (Overseas):
  - a. Calamity Outreach Program – Typhoon Vamco brought on the worst flooding in Metro Manila since Typhoon Ketsana. Datamatics collaborated with employees of our client Domu Brands and took the initiative to do a fund raising program and organize an outreach for the residents of San Rafael, Rodriguez, Rizal;
  - b. We Care and Share Program – Datamatics Philippines team initiated a project to provide a safe and sustainable water source to the residents of the Toclong Kawit Cavite Community.

#### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company is actively involved in ensuring that the employees/resources are aware of the provisions of the POSH Act and rights thereunder.

The Company has constituted an Internal Committee (IC) as required under POSH Act and the constitution of the committee is in compliance with the said Act.

The Company has also adopted Anti-Sexual Harassment Policy, in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and is fully committed to uphold and maintain the dignity of every woman executive working in the Company.

Number of complaints pending as on the beginning of the financial year: 0

Number of complaints filed during the financial year: 0

Number of complaints pending as on the end of the financial year: 0

New module on POSH, incorporating content with online forms of harassment and their prevention, will be introduced soon for employees.

#### AWARDS & ACHIEVEMENTS

During the year, the Company (including Subsidiaries & Group Companies) and its employees received several awards and recognition, some of which are:

- Datamatics joins the illustrious WEP Signatories (UN Women and UNGC Initiative), supported globally by the EU Union and ILO (International Labour Organization), becoming the 76th Indian organization;
- CEO recognized as Gender Diversity Champion by UN Women India, on their social media network;
- Datamatics won 'Best D&I Award for Gender Diversity and Empowerment' and CEO of the Company was awarded in the category of 'Best D&I CEOs of the Year' at The Best Diversity & Inclusion Practices of Asia Study, Seminar and Awards 2020 LNOD awards;
- Datamatics received 'Special Covid-19 Award' at MRSI Golden Key Awards (GKA) 2020;
- In Public-Private partnership event, graced by State dignitaries, Datamatics won "India Corona Warrior Wockhardt Award.";

- Featured in Talent Acquisition Best Practices compendium, Datamatics was recognized as a significant contributor towards Gender agnostic D&I best practices by NASSCOM (The trade association of the Indian IT BPM industry).

#### PARTICULARS OF EMPLOYEES:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Act read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed as **"Annexure – A"** to this Report.

In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars drawing remuneration in excess of the limits set out in the said Rules forms part of the report. However, having regard to the provisions of the first proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the Members of the Company. The said information is available for inspection at the Registered Office of the Company during the working hours. Any member interested in obtaining such information may write to the Company Secretary, at the Registered Office and the same will be furnished on request.

#### DATAMATICS' INSIDER TRADING POLICY FOR REGULATION OF TRADING BY INSIDERS

Datamatics has formulated an Insider Trading Policy for Directors and employees in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The policy lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company's securities. The policy clearly specifies, among other matters, that "Designated Persons" including Directors of the Company can trade in the Company's securities only when the 'Trading Window' is open. The trading window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the policy.

The Insider Trading Policy for Regulation of Trading by Insiders is available on our website at <https://www.datamatics.com/about-us/investor-relations/corporate-governance>.

#### STRUCTURED DIGITAL DATABASE FOR PREVENTION OF INSIDER TRADING PRACTICE

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ('SEBI PIT Regulations') as amended, the Company has customized a secure Insider Trading Compliance Tool (InsiderLens software) which is maintained in house to prohibit insider trading activity. The Company has in place a structured digital database wherein details of persons with whom UPSI is shared on a need to know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database.

#### DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge confirms that:

- in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- they have selected such accounting policies and applied

them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;

- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### SECRETARIAL STANDARDS

The Company has complied with secretarial standards issued by the Institute of Company Secretaries of India on Board Meetings and Annual General Meetings.

#### Secretarial Auditor

The Company had appointed Mr. Tushar Shridharani, Practicing Company Secretary, to conduct the secretarial audit for the financial year 2020-2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed as **"Annexure – B"** to this Report.

As per the requirements of the Listing Regulations, Mr. Tushar Shridharani, Practicing Company Secretary, have undertaken secretarial audit of Lumina Datamatics Limited, material subsidiary of the Company for the FY 2020-21. The Audit Report confirms that Lumina Datamatics Limited have complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

#### INFORMATION ON AUDITORS' OBSERVATIONS

##### 1) Statutory Auditors:

The report of the Statutory Auditors on Standalone and Consolidated Financial Statements forms part of this Annual Report. There are no qualifications, reservations or adverse remarks made by the Statutory Auditors in their report.

##### 2) Secretarial Auditor:

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, M/s. M. L. Bhuwania and Co. LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting, subject to ratification by Shareholders at each AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018.

During the year, the statutory auditors have confirmed that they



satisfy the independence criteria required under the Companies Act, 2013 and other applicable provisions of law.

#### **MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013**

As per provisions of sub section (1) of Section 148 of the Companies Act 2013, the Company is not required to maintain cost records.

#### **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

No frauds were reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

#### **CORPORATE GOVERNANCE**

Pursuant to the SEBI Listing Regulations, Report on Corporate Governance for the year under review, is presented in a separate section. A certificate from M/s. M. L. Bhuwania and Co. LLP, confirming compliance of conditions of Corporate Governance, as stipulated under the SEBI Listing Regulations, is annexed to this report.

#### **MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

#### **MANAGEMENT DISCUSSION AND ANALYSIS**

The Management's Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report.

#### **COMPOSITION OF THE COMMITTEES OF THE BOARD**

There are currently five Committees of the Board, as under:

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders' Relationship Committee;

- Corporate Social Responsibility Committee;
- Risk Management Committee.

Details of all the Committees along with their charters, composition and meetings held during the year, are provided in the "Report on Corporate Governance", a part of this Annual Report.

#### **PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

Details of loans, guarantees and investments covered under the provisions of Section 186 of the Companies Act, 2013, are provided in the Notes to Financial Statements, which forms part of this Annual Report.

#### **CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts, arrangements and transactions entered by the Company with related parties during FY 2020-21 were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company's policy on related party transactions.

Accordingly, the disclosure of related party transactions in Form AOC-2 is not applicable. However detailed disclosure on related party transactions as per IND AS-24 containing name of the related party and details of the transactions have been provided under financial statements.

The Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.datamatics.com/investors/corporate-governance>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

#### **POLICIES**

The SEBI Listing Regulation mandated the formulation of certain policies for all Listed Companies. In compliance with the above requirement, all our policies are available on our website (<http://www.datamatics.com/investors/corporate-governance>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

In addition to its Code of Conduct, key policies that have been adopted by the Company are as follows:

Name of the Policy	Brief Description	Web Link
Whistleblower/Vigil Mechanism	The Company has formulated and adopted a Whistleblower Policy/Vigil Mechanism for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and ethics.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Corporate Social Responsibility (CSR) Policy	The Policy outlines the Company's strategy for bringing about a transformation in the quality of life of people in the society through social upliftment programs. The CSR activities of the Company will focus on Employability, Education & Training, Health and Environment".	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Policy on Material Subsidiaries	The Policy is framed to determine Material subsidiaries of the Company and to provide governance framework for such subsidiaries of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Related Party Transaction Policy	Related Party Transactions Policy is framed to ensure the proper approval and reporting of transactions between the Company and its related parties.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .

Name of the Policy	Brief Description	Web Link
Insider Trading Policy	The Policy provides the framework in dealing with the securities of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Policy for determination of Materiality of Events	The Policy is framed to provide an overall governance framework for determination of materiality of events / information and to ensure timely and adequate disclosures of material events / information fully, fairly, correctly and transparently to the concerned authorities.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Document Retention and Archival Policy	The Policy is framed to outline the guidelines for retention and archival for corporate records / documents of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Dividend Distribution Policy	This policy sets out principles to determine the amount that can be distributed to equity shareholders as dividend. The policy is framed to achieve dual objectives of appropriately rewarding shareholders through dividends and retaining capital in order to maintain a healthy capital structure to support its future capital and growth requirements.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .

## INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring orderly and efficient conduct of its business, including adherence to the Company's policies, safeguarding its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial disclosures.

The Audit Committee is responsible for implementing and maintaining the internal control and periodically reviews the adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems.

The Company has adopted accounting policies which are in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

## RISK MANAGEMENT POLICY

Risk Management is embedded in Datamatics operating framework. The Company has a duly approved Risk Management Policy, which lays down broad guidelines for the appropriate authority to identify, assess, categorize and prioritize risks in a timely manner and formulate plans for mitigation of such risks.

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Risk Management Committee was reconstituted to frame, implement and monitor the risk management policy for the Company. The composition of the Committee is in conformity with the Listing Regulations, with majority members being Directors of the Company. The Committee shall be responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major

risks identified by the businesses and functions shall be systematically addressed through mitigating actions on a continuing basis.

The details of composition of the Risk Management Committee and its terms of reference, is provided in the section titled 'Report on Corporate Governance', which forms part of this Annual Report.

## CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the financial year 2020-21 are annexed as "Annexure – C" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

## SCHEME OF ARRANGEMENT

The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its Order dated November 6, 2020 had approved the Scheme of Amalgamation for the merger by way of absorption of Datamatics Digital Limited ("the Transferor Company" or "DDL") with and into Datamatics Global Services Limited ("the Transferee Company" or "DGSL"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

DGSL and DDL have complied with all the requisite filings as per directions of the National Company Law Tribunal, Mumbai Bench ("NCLT") and the merger became effective from December 7, 2020.

## SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant/material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of the Company and its operations in future.

## ANNUAL RETURN

Extract of the Annual Return for the Financial Year ended on March 31, 2021 as required by Section 92(3) of the Act and Rule



12(1) of the Companies (Management & Administration) Rules, 2014 is annexed as **"Annexure D"** to this Report and can be accessed at [www.datamatics.com](http://www.datamatics.com) under the 'Investor' Section.

#### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Details relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014, are mentioned hereunder:

##### A. CONSERVATION OF ENERGY:

- i) Our Company being in IT & ITeS industry, our operations are not energy intensive. Adequate measures have been taken to conserve energy.
- ii) The Company has not taken any steps for utilising alternate sources of energy.
- iii) There were no additional capital investment on energy consumption equipments and proposals if any, being implemented for reduction of consumption of energy as the nature of the Company's operations entails a very low level of energy consumption.

##### B. TECHNOLOGY ABSORPTION:

- i) Every effort is made by the Company to update the technological skills of its technical staff in order to ensure that they possess adequate skills to enable them to service the Company's clients.
- ii) The Company has not imported any technology during the year under review.

##### C. FOREIGN EXCHANGE EARNINGS AND OUTGO:

Foreign Exchange Earned in terms of Actual Inflows:  
₹ 2,514.49 million.

Foreign Exchange Outgo in terms of Actual Outflows:  
₹ 291.97 million.

#### BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report and is annexed as **"Annexure – E"** to this Report.

#### ACKNOWLEDGEMENTS

Your Directors' place on record their deep appreciation to employees, customers, shareholders, vendors, bankers, financial institutions, Governments authorities and other stakeholders at all levels for their hard work, dedication and commitment. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN: 00008050

Place : Mumbai  
Date : May 26, 2021

## Annexure – A

### TO THE BOARD'S REPORT

Information required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as under:

- (I) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2020-21:

Sr. No.	Particulars	Ratio to Median remuneration
<b>Executive Directors</b>		
1.	Dr. Lalit S. Kanodia	70.93
2.	Mr. Rahul L. Kanodia	72.06
<b>Non-Executive Directors</b>		
3.	Mr. Sameer L. Kanodia	-
4.	Mr. R. K. Saraswat	2.65
5.	Mr. Dilip D. Dandekar	2.65
6.	Mrs. Asha L. Kanodia*	2.19
7.	Mr. Vinay M. Aggarwal	2.65
8.	Mrs. Mona Bhide	2.36

- (II) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial officer and Company Secretary in the financial year 2020-21:

Sr. No.	Particulars	% Increase in remuneration in the FY
1.	Dr. Lalit S. Kanodia	5.30
2.	Mr. Rahul L. Kanodia	(-) 3.46
3.	Mr. Sameer L. Kanodia	-
4.	Mr. R. K. Saraswat	34.41
5.	Mr. Dilip D. Dandekar	58.54
6.	Mrs. Asha L. Kanodia*	38.06
7.	Mr. Vinay Agarwal	34.41
8.	Mrs. Mona Bhide	1,280.00
9.	Ms. Divya Kumari, Company Secretary	17.24
10.	Mr. Sandeep Mantri, Chief Financial Officer	20.73

\*Mrs. Asha L. Kanodia was appointed as Non Executive director w.e.f. September 10, 2020.

- (III) The percentage decrease in the median remuneration of employees in the financial year: 6.10%
- (IV) The number of permanent employees on the rolls of Company: 6,072 Employees.
- (V) The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 9% in India and 2% in Overseas. The individual increments varied from 1% to 15%, based on individual performance.

Employees outside India received wage increase varying from 0.5% to 2.5%. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

- (VI) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company;

<b>Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2021 (₹ in Million)</b>	<b>46.87</b>
Revenue (₹ in Million)	4,576.63
Remuneration of KMPs (as % of Revenue)	1.02%
Profit before tax (PBT) (₹ in Million)	764.99
Remuneration of KMP (As % of PBT)	6.13%

- (VII) Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31, 2021	March 31, 2020	% Change
Market Capitalization (₹ in Million)	6,799.81	2,419.87	181.00%
Price Earnings Ratio	12.08	3.79	218.59%

- (VIII) Percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer:

Particulars	March 31, 2021	IPO date (May 07, 2004)	% Change
Market Price (BSE)	114.95	110	4.50%
Market Price (NSE)	115.35	110	4.86%

- (IX) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average annual increase was around 9%.

Increase in the managerial remuneration for the year was 6.8%.

- (X) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

## Annexure – A (Contd.)

TO THE BOARD'S REPORT

(X) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Dr. Lalit S. Kanodia	Mr. Rahul L. Kanodia	Mr. Sandeep Mantri	Ms. Divya Kumat
Remuneration in FY 2021 (₹ in Million)	14.54	14.77	7.96	9.40
Revenue (₹ in Million)		4,576.63		
Remuneration as % of revenue	0.32%	0.32%	0.17%	0.21%
Profit before tax (PBT) (₹ in Million)		764.99		
Remuneration of KMP (As % of PBT)	1.90%	1.93%	1.04%	1.23%

(XI) The key parameters for any variable component of remuneration availed by the Directors:

The key parameters for the variable component of remuneration to the Directors are approved by the Board as per suggestions of the Nomination and Remuneration Committee.

- a) **Commission to Chairman & Vice – Chairman:** The Commission payable to Dr. Lalit S. Kanodia and Mr. Rahul L. Kanodia is upto 1% of the net profits of the Company as computed in accordance with the provisions of the Companies Act, 2013.
- b) **Commission to Non – Executive Directors:** The Members have, at the AGM of the Company held on August 13, 2019 approved the payment of commission upto the limit of 0.25% of its net profits of the Company as computed under the

applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

(XII) There are no employees who receive remuneration in excess of the highest paid Director of the Company.

(XIII) Affirmation that the remuneration is as per the remuneration policy of the Company:

Pursuant to Rule 5 (1) (xii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, it is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and senior management is as per the Remuneration Policy of your Company.

# Annexure – B

TO THE BOARD'S REPORT

## TUSHAR SHRIDHARANI

B. Com., LL.B., F.C.S.

Tel. : (022) 2208 5764 / 2208 5765  
Email : tushar@tusharshri.com  
Web. : www.tusharshri.com

10, New Marine Lines  
417, Jolly Bhavan No. 1  
Mumbai – 400 020

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members – Datamatics Global Services Limited  
Knowledge Centre  
Plot No. 58, Street No. 17, MIDC  
Andheri (East)  
Mumbai – 400 093.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Datamatics Global Services Limited ("the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of:

- (i) The Companies Act, 2013 ("the Act") and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

I have also examined compliance with the applicable regulations of the following:

- (a) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (b) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period; the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above to the extent applicable.

During the Audit Period; no law that specifically was applicable to the Company.

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit Period, all decisions at Board Meetings and Committee Meetings were carried out unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

(Tushar Shridharani)

Practicing Company Secretary  
FCS 2690 / COP 2190  
UDIN : F002690C000356879

Place: Mumbai  
Date: May 26, 2021



## Annexure - C

TO THE BOARD'S REPORT

### CORPORATE SOCIAL RESPONSIBILITY

[Pursuant to clause (a) of sub-section (3) of Section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

#### 1. Brief outline on CSR Policy of the Company:

Acting responsibly towards the society is a part of the Datamatics DNA. Datamatics has always been a strong proponent of being socially responsible Company. This approach has culminated in the formation of our Corporate Social Responsibility (CSR) initiative, christened as 'ASHA'.

The CSR policy aims at bringing about a transformation in the quality of life of people through social upliftment and similar such programs. The CSR vision of Datamatics involves ongoing commitment by business towards Employability, Education, Health and Environment with objective to contribute to the economic and social development of society at large.

#### 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rahul Kanodia	Vice-Chairman & CEO	1	1
2	Mr. Sameer Kanodia	Non-Executive Director	1	1
3	Mr. R. K. Saraswat	Non-Executive Independent Director	1	1

#### 3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Company's revised its CSR Policy which is posted at <https://www.datamatics.com/about-us/Investor-relations/Corporate-Governance>.

#### 4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). : Not Applicable.

#### 5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social

responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.: - **NIL**.

#### 6. Average net profit of the company as per section 135(5): ₹ 51,71,31,934/-

#### 7. (a) Two percent of average net profit of the company as per section 135(5): ₹ 1,03,42,639/-

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Not Applicable.

(c) Amount required to be set off for the financial year, if any: **NIL**.

(d) Total CSR obligation for the financial year (7a+7b-7c): ₹ 1,03,42,639/-

#### 8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹ )	Amount Unspent (in ₹ )				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
FY 2020-21	Amount (in ₹)	Date of transfer	Name of the Fund	Amount	Date of transfer
51,49,809	51,92,830	₹ 26,52,191 transferred on 29.04.2021 * ₹ 25,40,639 transferred on 19.05.2021	NA	NA	NA

\* There was delay in transferring ₹ 25,40,639/- to Unspent CSR account on account of delay in completion of banking related activities due to lockdown imposed by the government on rising Covid cases.

## Annexure – C (Contd.)

TO THE BOARD'S REPORT

(b) Details of CSR amount spent against ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(6) Project duration	(7) Amount allocated for the project (in ₹)	(8) Amount spent in the current financial Year (in ₹)	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Health and Medical, Training and Employability of young students	(i) (ii)	Yes			3 years	52,00,000	Nil	51,92,830	No	Suraj Hope Foundation	CSR00 007591
	<b>Total</b>						<b>52,00,000</b>		<b>51,92,830</b>			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1) Sl. No.	(2) Name of the Project	(3) Item from the list of activities in Schedule VII to the Act	(4) Local area (Yes/No)	(5) Location of the project		(9) Amount spent for the project (in ₹)	(10) Mode of Implementation - Direct (Yes/No)	(11) Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	BMC Covid helpline	(i)	Yes		Mumbai	33,63,964	No	BMC	-
2	Donation for Covid'19 help in Uran for food to needy	(i)	Yes		Uran	4,85,845	No	Vichi Agro Products P Ltd	-
3	Contribution to MRSI for Freelance Interviewers Relief Fund	(ii)	Yes		Mumbai	1,00,000	No	Habitat for Humanity India	-
4	Adoption of a Slum in Mumbai	(xi)	Yes		Mumbai	10,00,000	No	Wockhardt Foundation	-
5	To provide nutrition to malnourished children	(i)	Yes		Mumbai	2,00,000	No	Annam Trust	-
	<b>Total</b>					<b>51,49,809</b>			

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable: Not Applicable.

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): ₹ 51,49,809/-

(g) Excess amount for set off, if any : Not Applicable

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not Applicable.

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹ )	Amount spent in the reporting Financial Year (in ₹ )	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹ )
				Name of the Fund	Amount (in ₹ )	Date of transfer.	
1	2019-20	NA	NIL	NA	NIL	NA	NA
2	2018-19	NA	NIL	NA	NIL	NA	NA
3	2017-18	NA	NIL	NA	NIL	NA	NA

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable.**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID	Name of the Project.	Financial Year in which the project was commenced.	Project duration .	Total amount allocated for the project (in ₹ )	Amount spent on the project in the reporting Financial Year (in ₹ )	Cumulative amount spent at the end of reporting Financial Year. (in ₹ )	Status of the project - Completed /Ongoing.
1	NA	NA	NA	NA	NA	NA	NA	NA

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:

(a) Date of creation or acquisition of the capital asset(s): **None**

(b) Amount of CSR spent for creation or acquisition of capital asset: **Nil**

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: **Not Applicable.**

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset): **Not Applicable.**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable.**

For and on behalf of the Board

**Rahul L. Kanodia**  
Chairman of CSR Committee

**R.K. Saraswat**  
Director

Place: Mumbai  
Date: May 26, 2021

# Annexure – D

TO THE BOARD'S REPORT

FORM NO. MGT - 9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS**

1	CIN	L72200MH1987PLC045205
2	Registration Date	November 3, 1987
3	Name of the Company	Datamatics Global Services Limited
4	Category/Sub-Category of the Company	Company having Share Capital /Indian Non-Government Company
5	Address of the Registered office and contact details	Knowledge Centre, Plot No.58, Street No.17, MIDC, Andheri (E), Mumbai 400093. Tel. No.: +91 (22) 6102 0000/1/2
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any.	Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited) Plot No. A 16 & 17, MIDC, Part B, Cross Lane, Andheri (East), Mumbai – 400 093. Tel: 91-22-6671 2151 Fax: 91-22-6671 2250 Email: depository@datamaticsbpm.com website: www.datamaticsbpm.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	IT & ITeS	6209	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S r. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2021	Applicable Section
1	<b>Delta Infosolutions Private Limited</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72300MH1992PTC064911	Holding	54.45	2(46)
2	<b>Cybercom Datamatics Information Solutions Limited</b> Unit no 105, First Floor, Multistoried Building, Seepz - Sez Andheri (E), Mumbai 400096.	U72900MH2000PLC123469	Subsidiary	50.50	2(87)
3	<b>Lumina Datamatics Limited</b> Unit No. 117-120, SDF-IV, SEEPZ-SEZ, Andheri (East), Mumbai - 400096.	U22220MH2007PLC322853	Subsidiary	100.00	2(87)
4	<b>Datamatics Digital Limited*</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72200MH2005PLC309621	Subsidiary	100.00	2(87)



## Annexure – D (Contd.)

TO THE BOARD'S REPORT

S r. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2021	Applicable Section
5	<b>CIGNEX Datamatics Technologies Limited**</b> President Plaza, Opp. Muktidham Derasar, Thaltej Cross Road, Sarkhej Gandhinagar Highway Ahmedabad Gujarat - 380054	U72200GJ2006PLC048349	Subsidiary	62.51	2(87)
6	<b>LDR eRetail Limited</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai 400 093.	U74120MH2015PLC322053	Subsidiary	100.00	2(87)
7	<b>LD Publishing and eRetail Limited^^</b> 12th Floor, Phase II, Crest, International Tech Park, Taramani CSIR Road, Chennai - 600113.	U74900TN2015PLC102688	Subsidiary	100.00	2(87)
8	<b>Datamatics Staffing Services Limited</b> Eucharistic Congress Building No III 5 Convent Street Colaba Mumbai - 400039	U74140MH2003PLC140165	Subsidiary	51.00	2(87)
9	<b>Datamatics Robotics Software Limited</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U74999MH2018FLC307700	Subsidiary	100.00	2(87)
10	<b>RJ Globus Solutions Private Limited***</b> 103, Balaji Residency, Mamletdarwadi Liberty Garden, Malad West, Mumbai- 400064.	U74999MH2018FTC306956	Subsidiary	100.00	2(87)
11	<b>Datamatics Global Services, Inc.</b> Suite 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	100.00	2(87)
12	<b>Datamatics Infotech Limited</b> 1 Doughty Street, London WC1N2PH.	Not Applicable	Subsidiary	100.00	2(87)
13	<b>Datamatics Global Services PTY Limited</b> Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.	Not Applicable	Subsidiary	100.00	2(87)
14	<b>Datamatics Global Technologies Ltd</b> 3 <sup>rd</sup> Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius.	Not Applicable	Subsidiary	100.00	2(87)
15	<b>Datamatics Global Technologies AG</b> MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.	Not Applicable	Subsidiary	100.00	2(87)
16	<b>Datamatics Global Services FZ-LLC</b> 3201, 32 <sup>nd</sup> Floor, Al Shatha Tower, Dubai, United Arab Emirates.	Not Applicable	Subsidiary	100.00	2(87)
17	<b>Datamatics Global Services Corporation.</b> Unit 1807, Cityland Condominium, 10, Tower, H.V Dela Costa ST. Corner, Ayala Ave, Makati City.	Not Applicable	Subsidiary	100.00	2(87)
18	<b>Datamatics Robotics Software Inc.</b> 1209, Orange Street, City of Willington, County of New Castle 19801, State of Delaware.	Not Applicable	Subsidiary	100.00	2(87)

## Annexure – D (Contd.)

TO THE BOARD'S REPORT

S r. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares Held as on March 31, 2021	Applicable Section
19	<b>Lumina Datamatics, Inc.</b> 600 Cordwainer Drive, Unit 103. Norwell MA 02061	Not Applicable	Subsidiary	100.00	2(87)
20	<b>RJ Globus, Inc</b> 1209, Orange Street, City of Wilmington, County of New Castle 19801	Not Applicable	Subsidiary	100.00	2(87)
21	<b>RJ Globus Solutions, Inc</b> 3 <sup>rd</sup> Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Philippines.	Not Applicable	Subsidiary	100.00	2(87)
22	<b>Lumina Datamatics GmbH</b> Im Leuschnerpark 4, 64347 Griesheim.	Not Applicable	Subsidiary	100.00	2(87)
23	<b>Lumina Datamatics Assessment &amp; Analytics LLC</b> 600 Cordwainer Dr., Unit 103, Norwell, MA 02061	Not Applicable	Subsidiary	65.00	2(87)
24	<b>CIGNEX Datamatics Corporation #</b> Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands"	Not Applicable	Subsidiary	62.51	2(87)
25	<b>CIGNEX Datamatics, Inc.**</b> 31572 Industrial RD, Suite 400, Livonia MI 48150.	Not Applicable	Subsidiary	62.51	2(87)
26	<b>CIGNEX Datamatics GmbH **</b> Fuhrmannstrasse 8, 64289 Darmstadt, Germany.	Not Applicable	Subsidiary	62.51	2(87)
27	<b>CIGNEX Datamatics Pte. Limited.**</b> 4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	Not Applicable	Subsidiary	62.51	2(87)
28	<b>Duo Consulting Inc ^</b> 641 West Lake Street, Suite 301, Chicago IL 60601.	Not Applicable	Subsidiary	41.26	2(87)
29	<b>Datamatics Global Services BV</b> KEIZERSGRACHT 391 A, 1016 EJ, Amsterdam The Netherlands	Not Applicable	Subsidiary	100.00	2(87)

\*Merged with and into parent Company Datamatics Global Services Limited w.e.f. December 7, 2020

\*\*Divested w.e.f. December 31, 2020

\*\*\* Under process of striking off

# Liquidated w.e.f. August 17, 2020

^ Sold on April 1, 2020.

^^ Striked off w.e.f. March 22, 2021.



# Annexure - D (Contd.)

TO THE BOARD'S REPORT

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### I) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2020)				No. of Shares held at the end of the year (As on March 31, 2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1) Indian									
a) Individual/HUF	1,16,22,078	0	1,16,22,078	19.72	1,16,94,959	0	1,16,94,959	19.84	0.12
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	3,20,98,742	0	3,20,98,742	54.45	3,20,98,742	0	3,20,98,742	54.45	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	4,37,20,820	0	4,37,20,820	74.17	4,37,93,701	0	4,37,93,701	74.29	0.12
2) Foreign									
a) NRIs- Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
F) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Promoter Shareholding (A) = (A) (1)+(A)(2)	4,37,20,820	0	4,37,20,820	74.17	4,37,93,701	0	4,37,93,701	74.29	0.12
B. PUBLIC SHAREHOLDING									
1. Institutions									
(i) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Banks / FI	56,315	0	56,315	0.10	103	0	103	0.00	-0.10
(iii) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(iv) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(v) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(vi) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(vii) FIs	1,40,700	0	1,40,700	0.24	65,700	0	65,700	0.11	-0.13
(viii) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ix) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(x) Others-Foreign Portfolio Investor	0	0	0	0.00	-	0	0	0.00	0.00
Sub-total (B)(1)	1,97,015	0	1,97,015	0.34	65,803	0	65,803	0.11	-0.23
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14,62,339	500	14,62,839	2.48	12,61,158	0	12,61,158	2.14	-0.34
ii) Overseas	-		0	0.00	-		0	0.00	0.00
b) Individuals									
Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh	75,48,677	79,688	76,28,365	12.94	81,73,388	76,807	82,50,195	14.00	1.06
Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh	52,71,943	0	52,71,943	8.94	50,79,185	0	50,79,185	8.62	-0.32

## Annexure – D (Contd.)

TO THE BOARD'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2020)				No. of Shares held at the end of the year (As on March 31, 2021)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>c) Others, specify</b>									
NRIs (Rep. & Non-Rep.)	5,90,830	0	5,90,830	1.00	4,00,360	0	4,00,360	0.68	-0.32
IEPF	59,525	0	59,525	0.10	62,945	0	62,945	0.11	0.01
Foreign National	18,000	0	18,000	0.03	35,990	0	35,990	0.06	0.03
<b>Sub-total (B)(2)</b>	<b>1,49,51,314</b>	<b>80,188</b>	<b>1,50,31,502</b>	<b>25.50</b>	<b>1,50,13,026</b>	<b>76,807</b>	<b>1,50,89,833</b>	<b>25.60</b>	<b>0.10</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	<b>1,51,48,329</b>	<b>80,188</b>	<b>1,52,28,517</b>	<b>25.83</b>	<b>1,50,78,829</b>	<b>76,807</b>	<b>1,51,55,636</b>	<b>25.71</b>	<b>-0.12</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>5,88,69,149</b>	<b>80,188</b>	<b>5,89,49,337</b>	<b>100.00</b>	<b>5,88,72,530</b>	<b>76,807</b>	<b>5,89,49,337</b>	<b>100.00</b>	<b>0.00</b>

### ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2020)			Shareholding at the end of the year (As on March 31, 2021)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	
1	Delta Infosolutions Pvt. Ltd.	3,20,98,742	54.45	0.00	3,20,98,742	54.45	0.00	0.00
2	Dr. Lalit S. Kanodia*	36,15,384	6.13	0.00	47,88,265	8.12	0.00	1.99
3	Mrs. Asha L. Kanodia	33,05,258	5.61	0.00	33,05,258	5.61	0.00	0.00
4	Mr. Rahul L. Kanodia	209	0.00	0.00	209	0.00	0.00	0.00
5	Mr. Sameer L. Kanodia	14,72,858	2.50	0.00	14,72,858	2.50	0.00	0.00
6	Mrs. Priyadarshini R. Kanodia	14,73,852	2.50	0.00	14,73,852	2.50	0.00	0.00
7	Mrs. Aneesha A. Dalmia**	13,52,874	2.29	0.00	2,52,874	0.43	0.00	-1.87
8	Mrs. Amrita V. Bhogilal	3,19,143	0.54	0.00	3,19,143	0.54	0.00	0.00
9	Mr. Yogendra S. Kanodia	6,500	0.01	0.00	6,500	0.01	0.00	0.00
10	Yogendra Kanodia HUF	1,700	0.00	0.00	1,700	0.00	0.00	0.00
11	Smt. Chandravati S. Kanodia	36	0.00	0.00	36	0.00	0.00	0.00
12	Dr. Lalit S. Kanodia HUF -2	74,264	0.13	0.00	74,264	0.13	0.00	0.00
	<b>Total</b>	<b>4,37,20,820</b>	<b>74.17</b>	<b>0.00</b>	<b>4,37,93,701</b>	<b>74.29</b>	<b>0.00</b>	<b>0.12</b>

The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2021.

\*Dr. Lalit S. Kanodia (Promoter) purchased 11,00,000 equity shares carrying 1.87% voting rights of Datamatics Global Services Limited through Off Market Trade by way of Gift on February 5, 2021 from his daughter Ms. Aneesha Dalmia, resulting in increase in his shareholding by 1.87%

\*Dr. Lalit S. Kanodia (Promoter) had purchased 38,033 & 34,848 shares of the Company on March 30, 2020 and March 31, 2020 respectively totalling to 72,881 shares (0.13%)

\*\*Ms. Aneesha Dalmia (Promoter) sold 11,00,000 equity shares carrying 1.87% voting rights of Datamatics Global Services Limited through Off Market Trade by way of Gift on February 5, 2021 to her father Dr. Lalit S. Kanodia, resulting in decrease in her shareholding by 1.87%;



## Annexure - D (Contd.)

TO THE BOARD'S REPORT

### iii) Change in Promoters' Shareholding

Sr. No.	Name of Shareholders	Date	Shareholding at the beginning of the year (As on April 1, 2020)		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Delta Infosolutions Pvt. Ltd.</b>					
	At the beginning of the year	1-Apr-20	3,20,98,742	54.45	3,20,98,742	54.45
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			3,20,98,742	54.45
2	<b>Dr. Lalit S. Kanodia *</b>					
	At the beginning of the year	1-Apr-20	36,15,384	6.13	36,15,384	6.13
	Increase in Shareholding	3-Apr-20	38,033	0.07	36,53,417	6.20
	Increase in Shareholding	10-Apr-20	34,848	0.06	36,88,265	6.26
	Increase in Shareholding	5-Feb-21	11,00,000	1.87	47,88,265	8.12
	At the end of the year	31-Mar-21			47,88,265	8.12
3	<b>Mrs. Asha L. Kanodia</b>					
	At the beginning of the year	1-Apr-20	33,05,258	5.61	33,05,258	5.61
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			33,05,258	5.61
4	<b>Mr. Rahul L. Kanodia</b>					
	At the beginning of the year	1-Apr-20	209	0.00	209	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			209	0.00
5	<b>Mr. Sameer L. Kanodia</b>					
	At the beginning of the year	1-Apr-20	14,72,858	2.50	14,72,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			14,72,858	2.50
6	<b>Mrs. Priyadarshini R. Kanodia</b>					
	At the beginning of the year	1-Apr-20	14,73,852	2.50	14,73,852	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			14,73,852	2.50
7	<b>Mrs. Aneesha A. Dalmia</b>					
	At the beginning of the year	1-Apr-20	13,52,874	2.30	13,52,874	2.30
	decrease in Shareholding	5-Feb-21	11,00,000	1.87	2,52,874	0.42
	At the end of the year	31-Mar-21			2,52,874	0.42
8	<b>Mrs. Amrita V. Bhogilal</b>					
	At the beginning of the year	1-Apr-20	3,19,143	0.54	3,19,143	0.54
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			3,19,143	0.54
9	<b>Mr. Yogendra S. Kanodia</b>					
	At the beginning of the year	1-Apr-20	6,500	0.01	6,500	0.01
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			6,500	0.01
10	<b>Yogendra Kanodia HUF</b>					
	At the beginning of the year	1-Apr-20	1,700	0.00	1,700	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			1,700	0.00
11	<b>Smt. Chandravati S. Kanodia</b>					
	At the beginning of the year	1-Apr-20	36	0.00	36	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			36	0.00
12	<b>Dr. Lalit S. Kanodia HUF - 2</b>					
	At the beginning of the year	1-Apr-20	74,264	0.13	74,264	0.13
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			74,264	0.13

\* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2021.

## Annexure – D (Contd.)

TO THE BOARD'S REPORT

### iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No.	Name of Shareholders	Date	Shareholding at the beginning of the year (As on April 1, 2020)		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Mr. Shaunak Jagdish Shah</b>					
	At the beginning of the year	1-Apr-20	999,149	1.70	999,149	1.70
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			999,149	1.70
2	<b>Mr. Jagdish Amritlal Shah</b>					
	At the beginning of the year	1-Apr-20	8,00,000	1.36	8,00,000	1.36
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			8,00,000	1.36
3	<b>Jamson Securities Pvt Ltd</b>					
	At the beginning of the year	1-Apr-20	5,80,660	0.99	5,80,660	0.99
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			5,80,660	0.99
4	<b>Ms. Jagruti Shaunak Shah</b>					
	At the beginning of the year	1-Apr-20	5,00,000	0.85	5,00,000	0.85
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			5,00,000	0.85
5	<b>Kamlesh B Shah</b>					
	At the beginning of the year	1-Apr-20	2,73,600	0.46	2,73,600	0.46
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21	-	-	2,73,600	0.46
6	<b>Mr. Arun Nahar</b>					
	At the beginning of the Year	1-Apr-20	2,33,270	0.39	2,33,270	0.39
	Increase	28-Aug-20	7,073	0.01	2,40,343	0.40
	At the end of the year	31-Mar-21	-	-	2,33,270	0.40
7	<b>Mahesh Ratnakar Gothivrekar</b>					
	At the beginning of the Year	1-Apr-20	0	0.00	0	0.00
	Increase	22-May-2020	59,781	0.10	59,781	0.10
	Increase	29-May-2020	50,771	0.09	1,10,552	0.19
	Increase	05-June-2020	53,977	0.09	1,64,529	0.28
	Increase	12-June-2020	51,061	0.09	2,15,590	0.37
	Increase	19-June-2020	4,000	0.01	2,19,590	0.37
	At the end of the year	31-Mar-21			2,19,590	0.37
8	<b>Mr. B N Nagamani</b>					
	At the beginning of the Year	1-Apr-20	2,00,000	0.34	2,00,000	0.34
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21	-	-	2,00,000	0.34



## Annexure - D (Contd.)

TO THE BOARD'S REPORT

Sr. No.	Name of Shareholders	Date	Shareholding at the beginning of the year (As on April 1, 2020)		Cumulative Shareholding during the year (April 1, 2020 to March 31, 2021)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	<b>Mr. Nagendra G. Uddagiri</b>					
	At the beginning of the Year	1-Apr-20	1,71,500	0.291	1,71,500	0.29
	Increase	10-Apr-20	450	0.001	1,71,950	0.29
	Increase	1-May-20	1,052	0.002	1,73,002	0.29
	Increase	8-May-20	1,998	0.003	1,75,000	0.30
	Increase	12-Jun-20	2,000	0.003	1,77,000	0.30
	Decrease	24-Jul-20	(4,000)	-0.007	1,73,000	0.29
	Increase	31-Jul-20	1,000	0.002	1,74,000	0.30
	Increase	7-Aug-20	1,000	0.002	1,75,000	0.30
	Increase	21-Aug-20	2,000	0.003	1,77,000	0.30
	Increase	28-Aug-20	1,140	0.002	1,78,140	0.30
	Increase	4-Sep-20	1,039	0.002	1,79,179	0.30
	Increase	11-Sep-20	821	0.001	1,80,000	0.31
	Increase	9-Oct-20	4,000	0.007	1,84,000	0.31
	Increase	16-Oct-20	1,500	0.003	1,85,500	0.32
	Decrease	23-Oct-20	(5,000)	-0.008	1,80,500	0.31
	Decrease	6-Nov-20	(1,500)	-0.003	1,79,000	0.30
	Decrease	13-Nov-20	(4,000)	-0.007	1,75,000	0.30
	Decrease	27-Nov-20	(2,000)	-0.003	1,73,000	0.29
	Increase	4-Dec-20	4,000	0.007	1,77,000	0.30
	Decrease	11-Dec-20	(5,500)	-0.009	1,71,500	0.29
	Increase	31-Dec-20	3,000	0.005	1,74,500	0.30
	Increase	15-Jan-21	1,964	0.003	1,76,464	0.30
	Increase	22-Jan-21	1,036	0.002	1,77,500	0.30
	Increase	29-Jan-21	5,240	0.009	1,82,740	0.31
	Increase	5-Feb-21	1,510	0.003	1,84,250	0.31
	Increase	12-Feb-21	750	0.001	1,85,000	0.31
	Increase	26-Feb-21	5,000	0.008	1,90,000	0.32
	Increase	12-Mar-21	1,000	0.002	1,91,000	0.32
	At the end of the year	31-Mar-21			1,91,000	0.32
10	<b>SIRSA DEPOSITS AND ADVANCES LIMITED</b>					
	At the beginning of the Year	1-Apr-20	0	0.00	0	0.00
	Increase	12-Jun-20	2,000	0.00	2,000	0.00
	Decrease	07-Aug-20	(2,000)	0.00	0	0.00
	Increase	04-Sep-20	2,000	0.00	2,000	0.00
	Increase	06-Nov-20	15,000	0.03	17,000	0.03
	Increase	27-Nov-20	14,940	0.03	31,940	0.05
	Increase	11-Dec-20	3,000	0.01	34,940	0.06
	Increase	25-Dec-20	65,000	0.11	99,940	0.17
	Increase	31-Dec-20	2,000	0.00	1,01,940	0.17
	Increase	29-Jan-21	17,614	0.03	1,19,554	0.20
	Increase	05-Feb-21	2,886	0.01	1,22,440	0.21
	Increase	05-Mar-21	50,000	0.09	1,72,440	0.29
	Increase	19-Mar-21	5,000	0.01	1,77,440	0.30
	At the end of the year	31-Mar-21			1,77,440	0.30

## Annexure – D (Contd.)

TO THE BOARD'S REPORT

### v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Name of Promoters	Date	Shareholding at the beginning of the year (As on April 1, 2020)		Cumulative Shareholding during the year (As on March 31, 2021)	
			No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	<b>Dr. Lalit S. Kanodia</b>					
	At the beginning of the year	1-Apr-20	36,15,384	6.13	36,15,384	6.13
	Increase in Shareholding	3-Apr-20	38,033	0.07	36,53,417	6.20
	Increase in Shareholding	10-Apr-20	34,848	0.06	36,88,265	6.26
	Increase in Shareholding	5-Feb-21	11,00,000	1.87	47,88,265	8.12
	At the end of the year	31-Mar-21			47,88,265	8.12
2	<b>Mrs. Asha L. Kanodia</b>					
	At the beginning of the year	1-Apr-20	33,05,258	5.61	33,05,258	5.61
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			33,05,258	5.61
3	<b>Mr. Rahul L. Kanodia</b>					
	At the beginning of the year	1-Apr-20	209	0.00	209	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			209	0.00
4	<b>Mr. Sameer L. Kanodia</b>					
	At the beginning of the year	1-Apr-20	14,72,858	2.50	14,72,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			14,72,858	2.50
5	<b>Mrs. Mona Bhide</b>					
	At the beginning of the year	1-Apr-20	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			0	0.00
6	<b>Mr. R. K. Saraswat</b>					
	At the beginning of the year	1-Apr-20	1,000	0.00	1,000	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			1,000	0.00
7	<b>Mr. Dilip D. Dandekar</b>					
	At the beginning of the year	1-Apr-20	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			0	0.00
8	<b>Mr. Vinay M. Aggarwal</b>					
	At the beginning of the year	1-Apr-20	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			0	0.00
9	<b>Ms. Divya Kumat</b>					
	At the beginning of the year	1-Apr-20	200	0.00	200	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			200	0.00
10	<b>Mr. Sandeep Mantri</b>					
	At the beginning of the year	1-Apr-20	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-21			0	0.00



## Annexure – D (Contd.)

TO THE BOARD'S REPORT

### V. Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	(₹ in millions)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year i.e. As on April 1, 2020</b>				
i) Principal Amount	487.50	0.00	0.00	487.50
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.69	0.00	0.00	0.69
<b>Total (i+ii+iii)</b>	<b>488.19</b>	<b>0.00</b>	<b>0.00</b>	<b>488.19</b>
<b>Change in Indebtedness during the financial year</b>				
– Addition	0.00	0.00	0.00	0.00
Reduction (Repayment)	488.19	0.00	0.00	488.19
<b>Net Change (ii)</b>	<b>488.19</b>	<b>0.00</b>	<b>0.00</b>	<b>488.19</b>
<b>Indebtedness at the end of the financial year i.e. March 31, 2021</b>				
i) Principal Amount	0.00	0.00	0.00	0.00
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	0.00	0.00	0.00	0.00

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### A. Remuneration to Managing Director, Whole time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTDs/Manager		(₹ in millions)
		Dr. Lalit S. Kanodia, Chairman & Whole Time Director	Mr. Rahul L. Kanodia, Vice Chairman & CEO	Total Amount
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	6.00	8.00	14.00
b)	Value of perquisites under section 17(2) Income-tax Act, 1961	1.00	0.05	1.05
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	5.48	5.48	10.96
	As % of profit	-	-	-
5	Others, specify	-	-	-
<b>Total (A)</b>		<b>12.48</b>	<b>13.53</b>	<b>26.01</b>
Ceiling as per the Act (10% of Profits calculated under Section 198 of the Companies Act, 2013)		54.78		

B. Remuneration to other directors:				(₹ in millions)
Sr. No.	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Total Amount
<b>1</b>	<b>Independent Directors</b>			
	Mr. R. K. Saraswat	0.27	0.27	0.54
	Mr. Dilip Dandekar	0.27	0.27	0.54
	Mr. Vinay Aggarwal	0.27	0.27	0.54
	Mrs. Mona Bhide	0.21	0.27	0.48
<b>Total (1)</b>		<b>1.02</b>	<b>1.09</b>	<b>2.11</b>
<b>2</b>	<b>Other Non-Executive Directors</b>			
	Mr. Sameer L. Kanodia	0.00	0.00	0.00
	Mrs. Asha L. Kanodia	0.18	0.27	0.45
<b>Total (2)</b>		<b>0.18</b>	<b>0.27</b>	<b>0.45</b>
<b>Total Managerial Remuneration</b>		<b>1.20</b>	<b>1.37</b>	<b>2.57</b>
Ceiling as per the Act (1% of Profits calculated under Section 198 of the Companies Act, 2013)			5.48	(₹ in millions)

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD				
Sr. No.	Particulars of Remuneration	Ms. Divya Kumart, Company Secretary (KMP)	Mr. Sandeep Mantri Chief Financial Officer (KMP)	Total
<b>1</b>	<b>Gross salary</b>			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	7.09	5.84	<b>12.93</b>
	b) Value of perquisites under section 17(2) Income-tax Act, 1961.	0.01	0.02	<b>0.03</b>
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-
<b>2</b>	<b>Stock Option</b>	-	-	-
<b>3</b>	<b>Sweat Equity</b>	-	-	-
<b>4</b>	<b>Commission as % of profit</b>	-	-	-
<b>5</b>	<b>Others - Contribution to Provident Fund, Allowance etc.</b>	-	-	-
<b>Total</b>		<b>7.10</b>	<b>5.86</b>	<b>12.96</b>

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (Give details)
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## A. COMPANY

Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2021.				
Punishment					
Compounding					

## B. DIRECTORS

Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2021.				
Punishment					
Compounding					

## C. OTHER OFFICERS IN DEFAULT

Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2021.				
Punishment					
Compounding					



# Annexure – E

TO THE BOARD'S REPORT

## Business Responsibility Report

The Directors present the Business Responsibility ("BR") Report of the Company for the financial year ended 31<sup>st</sup> March, 2021, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### ❖ SECTION A – GENERAL INFORMATION ABOUT THE COMPANY:

No.	Disclosures	Information / Reference sections
1.	Corporate Identity Number (CIN) of the Company	L72200MH1987PLC045205
2.	Name of the Company	Datamatics Global Services Limited
3.	Registered address	Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai – 400093, Maharashtra, India.
4.	Website	www.datamatics.com
5.	E-mail id	investors@datamatics.com
6.	Financial Year reported	April 1, 2020 to March 31, 2021
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	<b>NIC Code:</b> 6209 <b>Product Description:</b> Information Technology (IT) & Information Technology enabled Services (ITeS)
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	Refer Page no. 2 – 5 of this Report
9.	Total number of locations where business activity is undertaken by the Company:	Company has undertaken business activities in four (4) international locations namely USA, Europe, Philippines and UAE. Company has carried out business in four (4) national locations namely Mumbai, Bangalore, Puducherry and Nashik

### ❖ SECTION B – FINANCIAL DETAILS OF THE COMPANY:

No.	Disclosures	Information / Reference Sections
1.	Paid up Capital	INR 29,47,46,685/- consisting of 5,89,49,337 equity shares of INR 5/- each.
2.	Total Turnover	INR 468,52,22,028/-
3.	Total profit after taxes	INR 56,30,91,118/-
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	INR 51,49,809/-
5.	List of activities in which expenditure in 4 above has been incurred:	Refer Annexure C of the Board's Report in this Annual Report.

### ❖ SECTION C – OTHER DETAILS:

#### 1. Does the Company have any Subsidiary Company/ Companies?

The Company has subsidiary companies in India, the USA, the UK, Germany, Netherlands, Philippines, Singapore, Mauritius, Dubai, Switzerland and Australia.

#### 2. Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

No.

#### 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].

Yes. Less than 30%.

### ❖ SECTION D – BR INFORMATION:

#### 1. Details of Director/Directors responsible for BR:

##### (a) Details of the Director/Directors responsible for implementation of the BR policy/policies.

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

DIN	Name	Designation
00075801	Rahul L Kanodia	Chairman
00015095	Radhakrishna K Saraswat	Member
00008232	Sameer L Kanodia	Member

**(b) Details of the BR head:**

Name	Rahul L. Kanodia
Designation	Vice Chairman & CEO
DIN	00075801
Telephone number	+91 22 61020000/1/2
Email ID	rahul.kanodia@datamatics.com

**2. Principle wise (as per National Voluntary Guidelines) BR Policy/policies:**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility. These briefly are as follows:

Reference	Principles	Description
P1	Principle 1	Business should conduct and govern themselves with Ethics, Transparency and Accountability
P2	Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Principle 3	Businesses should promote the wellbeing of all employees
P4	Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
P5	Principle 5	Businesses should respect and promote human rights
P6	Principle 6	Business should respect, protect, and make efforts to restore the environment
P7	Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
P8	Principle 8	Businesses should support inclusive growth and equitable development
P9	Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for each of the Principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify?	Yes, the BR policies are formulated on the basis of national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG).								
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes, the CSR Committee of the Board of Directors is responsible for implementation of BR policies								
6	Indicate the link for the policy to be viewed online?	Link to all policies: <a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes, the policies have been communicated to internal and external stakeholders. They are available online for all stakeholders to refer in the above mentioned links.								

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Yes, any grievance or feedback related to the policies can be sent to <a href="mailto:investors@datamatics.com">investors@datamatics.com</a> . CSR committee of the Board of Directors is responsible for addressing stakeholder concerns related to BR policies.								
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

**2a. If answer to S. No. 1 against any principle, is 'No', please explain why:**

Not Applicable ("NA")

Sr. No	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

**3. Governance related to BR:**

- (a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

The Board of Directors of the Company will annually review the BR related performance.

- (b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BR Report of the Company is part of the Annual Report for the F.Y. 2020-21 and the same is available on:

<https://www.datamatics.com/about-us/investor-relations/financials>

❖ **SECTION E – PRINCIPLE WISE PERFORMANCE:**

<b>P1 – Business should conduct and govern themselves with ethics, transparency and accountability</b>		
<b>Principle No</b>	<b>Description</b>	<b>Response</b>
1.1	Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No.	No
	Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	<p>Yes</p> <p>The Company has an enduring legacy of conducting business with the highest standards of ethics. The Company has adopted Anti Bribery and Anti-Corruption policy with the objectives of enhancing the standards of ethical code of conduct for the highest degree of transparency, integrity, accountability and corporate social responsibility.</p> <p>The Whistle Blower policy of the Company provides a mechanism for the employees of the Company and other persons dealing with the Company to report to the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of any of the Company's Policies.</p>
1.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?  If so, provide the details thereof.	The Company has not received any complaints from the stakeholders in the financial year in relation to code of conduct, business ethics, transparency and accountability.
<b>P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle</b>		
2.1	List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities.	The Company is a technology company that builds intelligent solutions for data-driven enterprises. The Company's portfolio spans across Information Technology Solutions, Business Process Management (BPM) and Engineering Services, powered by Artificial Intelligence. The Company has also established products in Robotic Process Automation, Advanced Analytics, Business Intelligence, and Automated Fare Collection. All the above services and solutions are fundamentally premised on improving resource efficiency and reducing environmental footprint.
2.2	For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional)	As detailed in point 2.1 above, all the business services of the Company significantly helps to improve the process efficiency and business outcomes for the customers of the Company. All these solutions directly or indirectly also improve the environmental impacts for the Company's customers. However due to nature of the Company's services, it is difficult to quantify.
2.3	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably and provide details thereof.	<p>No.</p> <p>The Company is in the process of taking steps to enhance the sustainable sourcing.</p>



2.4	Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	The Company has not taken any steps to specifically procure goods and services from local and small producers, including communities surrounding the work place. However, the Company engages with both local and global suppliers. Purchases are driven by open and transparent non-discriminatory procurement process. The Company has enrolled multiple suppliers with preference to local vendors in several areas such as office catering, local transportation, subcontracted resources, etc.
2.5	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so.	<p>Yes, the Company has a mechanism to recycle products and waste. The Company has taken few initiatives as below:</p> <p>(1) <b>E-waste (10%):</b></p> <p>(a) The Company recycles few desktops by making it functional (assisted by IT) and then send it for CSR purposes.</p> <p>(b) The Company disposes the balance desktops through scrap for further recycling by the dealers.</p> <p>(2) <b>Disposable Stationery (5%):</b></p> <p>(a) When there is change in Logos/name/colour and various changes on good quality paper, the Company cuts the same into sizes and re-use it.</p> <p>(b) One side (non-confidential) papers, are cut &amp; re-used for making small booklets.</p> <p>(3) <b>Project waste (20%):</b></p> <p>(a) Hardware waste (wooden furniture, ply partitions, glass and paint, etc.) are reused in terms of modifications/remodelling/conversions, etc. for new plans.</p> <p>(b) Sort &amp; Store – The waste as per the category, with proper packing and reusing by remodelling/ resizing or as per requirements.</p>
<b>P3 – Businesses should promote the wellbeing of all employees.</b>		
3.1	Please indicate the total number of employees.	6297*
3.2	Please indicate the total number of employees hired on a temporary / contractual / casual basis.	2475*
3.3	Please indicate the number of permanent women employees.	1577*
3.4	Please indicate the number of permanent employees with disabilities	43*
3.5	Do you have an employee association that is recognized by the Management?	No
3.6	What percentage of your permanent employees are members of this recognized employee association?	0%
3.7	Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year.	Nil
3.8	<p>What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year?</p> <p>• Permanent employees • Permanent women employees • Casual / temporary / contractual employees • Employees with disabilities.</p>	<ul style="list-style-type: none"> <li>Permanent employees: Safety- 0% due to pandemic</li> <li>Skill up-gradation – 61% , Cyber Security – 63%</li> <li>Permanent women employees : skill up-gradation –54%</li> <li>Casual / temporary / contractual employees: skill up-gradation –62%</li> <li>Employees with disabilities: 55%</li> </ul>

\* These numbers are on standalone basis.

**P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

4.1	Has the Company mapped its internal and external stakeholders?	<p>The Company has a systematic process of identifying all the key internal and external stakeholders impacted by our operations.</p> <p><u>Below is the list of our key stakeholders;</u></p> <ul style="list-style-type: none"> <li>a. Management</li> <li>b. Shareholders</li> <li>c. Employees</li> <li>d. Suppliers</li> <li>e. Vendors</li> <li>f. <u>NGO's</u></li> <li>g. <u>Government authorities</u></li> <li>h. Local communities</li> </ul>
4.2	Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?	<p>The Company has identified children as disadvantaged, vulnerable &amp; marginalised stakeholders.</p> <p>The Company has further identified physically challenged individuals and rural women as disadvantaged, vulnerable &amp; marginalised stakeholders.</p>
4.3	Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof.	<p>The Company identifies the needs of the communities spread around its area of operations and decides on the CSR programs. Currently, the Company is focusing on education, employment, Covid related relief and slum adoption programmes among others and details of its CSR spending is detailed in Annexure C of Director's Report in this Annual Report.</p> <p>Further, the Company has tied up with various institutions to train and provide employment opportunities for physically challenged individuals and rural women.</p>

**P5. Businesses should respect and promote human rights.**

5.1	Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policy is applicable to the Company, all its subsidiaries and vendors.
5.2	How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?	The Company has not received any complaints from the stakeholder for human rights violation in the financial year 2020-21.

**P6. Business should respect, protect, and make efforts to restore the environment.**

6.1	Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others?	The policy is applicable to the Company and all its subsidiaries. The Company expects its suppliers, partners and contractors to be compliant with applicable laws and regulations including environmental laws and regulations.
6.2	Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give the hyperlink for the web page, etc.	Please refer point 2.2
6.3	Does the Company identify and assess potential environmental risks?	Yes
6.4	Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof. Also, if yes, has any environmental compliance report been filed?	Not Applicable

6.5	Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc.	Yes. Link for webpage: Datamatics.com/hubfs/Investors/Corporate Governance/Green- Initiative.pdf. The Company has also installed LED lights which has significantly led to savings in energy.
6.6	Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported?	Yes the emissions and waste generated by the Company are within the permissible limits.
6.7	Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on the end of the financial year.	NIL

**P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.**

7.1	Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with.	The Company is member of Indo American Chamber of Commerce (IACC) and The National Association of Software and Service Companies (Nasscom).
7.2	Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others).	No, the Company has not advocated / lobbied through the above associations for the advancement or improvement of public good.

**P8 – Businesses should support inclusive growth and equitable development.**

8.1	Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof.	Refer Annexure C of Director's Report in this Annual Report. The Company has been supporting & encouraging the National Apprenticeship Promotion Scheme (NAPS) and Employment Promotion Program (EPP) aimed at skill development and promoting youth employment with local economic opportunities. During the FY 2020-21, the Company hired & trained 1158 trainees under both the programs.
8.2	Are the programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization?	The programs / projects as referred to in 8.1 are carried out directly by the Company.
8.3	Have you done any impact assessment of your initiative?	Yes
8.4	What is your Company's direct contribution to community development projects – amount in and the details of the projects undertaken?	Refer Annexure C of Director's Report in this Annual Report
8.5	Have you taken steps to ensure that this community development initiative is successfully adopted by the community?	Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community. The National Apprenticeship Promotion Scheme (NAPS) and Employment Promotion Program (EPP) aimed at skill development and promoting youth employment are continuously monitored for improvements.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner		
9.1	What percentage of client complaints / consumer cases are pending as on the end of the financial year?	There are no client complaints cases pending as on the end of the financial year.
9.2	Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information)	NA
9.3	Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year? If so, provide the details thereof.	No
9.4	Did your Company carry out any consumer survey / measure consumer satisfaction trends?	<p>Yes.</p> <p>The company conducts a customer satisfaction surveys at the end of every major milestone to assess customer's perception of our services. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the Company.</p> <p>Apart from this, the more frequent and real time Customer Feedback Capture mechanism that captures feedback through other formal and informal channels also reports an improving trend in the customer sentiment towards the Company's processes and performance.</p>

# Management Discussion and Analysis

## Introduction

It is one year since COVID-19 was declared a global pandemic and Datamatics priorities continue to be employee well-being, servicing and retaining customers and tightly managing cash-flows. Team Datamatics has done exceedingly well in managing on all the three fronts which has resulted in business bouncing back across segments. Datamatics sees increase in demands in technology spending cycles, both from new and existing clients. Digital transformation and technology upgradation is creating huge opportunities for the IT industry. Datamatics is also seeing specific opportunities in the process automation and dynamic content management areas. Datamatics remains cautious and at the same time confident of sustaining the growth momentum in coming year.

As enterprises adopt digital technologies to drive their businesses, Datamatics is well positioned to implement Digital Technologies, including Intelligent Document Processing, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence for them. It provides the company an excellent opportunity to partner with customers in implementing digital transformation solutions that would ensure business continuity and enable them to remain competitive.

## A. Economic Environment

As per World Economic Outlook, April 2021, even with high uncertainty about the path of the pandemic, a way out of this health and economic crisis is increasingly visible. The World Economic Outlook is projecting a stronger recovery in 2021 and 2022 for the global economy compared to its previous forecast, with growth projected to be 6% in 2021 and 4.4% in 2022. Nonetheless, the outlook presents daunting challenges related to divergences in the speed of recovery both across and within countries and the potential for persistent economic damage from the crisis.

As per the report, the key forecasts for markets are as follows:

- The forecast for the United States shows stronger-than-expected growth reflecting additional fiscal support legislated, to increase from -3.5% in 2020 to 6.4% in 2021.
- The forecast for Euro is set to recover from -6.6% in 2020 to 4.4% in 2021. European economies were recovering in mid-2020. But this was followed by a surge in infections that forced new lockdowns in the last months of 2020, carrying over to 2021 impacting the growth forecasts.
- The forecast for United Kingdom shows a recovery from -9.9% in 2020 to 5.3% in 2021.
- A stronger recovery than initially expected after lockdowns were eased is expected in India with forecast to improve from -8% in 2020 to 12.5% in 2021. However, still high COVID-19 caseloads can negatively impact growth prospects.

Source: World Economic Outlook Update, April 2021

## Industry Review

### IT Solutions

- Worldwide IT spending is projected to total \$4.1 trillion in 2021, an increase of 8.4% from 2020. IT spending is likely to decelerate to 5.5% in 2022 to \$4.3 Trillion.

- All IT spending segments are forecast to have positive growth through 2022. The highest growth will come from devices (14%), enterprise software (10.8%) and IT services (9%)
- The source of funds for new digital business initiatives will more frequently come from business departments outside IT and charged as a cost of revenue or cost of goods sold (COGS).

Source: Gartner

### Business Process Management (BPM)

- The global BPM market is projected to total \$254 Billion in 2021, an increase of 4.5% from 2020. BPM market is likely to grow at 7.6% in 2022 to \$273 Billion.
- Segments expected to witness the highest volume of new work in the next five years include industry-vertical-oriented BPM, enterprise back-office BPM and contact center
- Technology will assume center stage in BPM, especially through platform-based services

Source: Everest Group & Nasscom

### Intelligent Automation

- The market for process-agnostic software enabling hyperautomation is projected to reach \$25bn in 2021 and is forecasted to grow at a CAGR of 18.8% over the period 2020-2025, thereby amounting to over \$46 Billion by end of 2025.
- RPA software market is growing at healthy double digit rates as per various analyst estimates. Gartner predicts that by 2022, 65% of organizations that deployed automation capabilities will introduce artificial intelligence (AI) that include machine learning (ML), natural language processing (NLP) algorithms and intelligent document processing (IDP).
- Driven by strong demand for automation, IDP market is projected to grow at 55%-65% CAGR thereby amounting to 1.85-1.95 Billion by 2022.

Source: Gartner & Everest Group

## B. Business review

Datamatics is a global Technology, BPM and Digital Solutions company, that builds intelligent solutions for data-driven enterprises to improve their productivity and customer experience.

Datamatics has a strong footprint in the digital space providing new age solutions in Cloud, Mobility, Robotics, Digital Process Automation and Artificial Intelligence. Datamatics also has a strong product portfolio in Robotic Process Automation (TruBot), Intelligent Document Processing (TruCap+), Business Intelligence & Advance Analytics (TruBI), Artificial Intelligence (TruAI) and Automated Fare Collection (TruFare).

Datamatics provides digital solutions across Banking & Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing; servicing over 200 significant customers globally.

Headquartered in Mumbai, the company has presence across four continents with major delivery centres in the USA, India, and Philippines.

## Highlights 2020 – 21

### Business updates

- Datamatics divested its stake in Cignex. This brings a sharper focus, and provides funds to invest in Datamatics digital solution strategy which is central to its business.
- Datamatics launched document processing with a new AI-enabled TruCap+ Intelligent Document Processing (IDP) solution
- Datamatics launched the world's largest repository of over 800 automation use cases for enterprises, customers and partners. The repository includes use cases across 13 industries such as BFSI, Manufacturing, Logistics; and 6 corporate functions like Finance & Accounting, Information Technology, Human Resources, and others
- Datamatics helped UTI Mutual Fund and several marquee Indian organisations to set-up paperless Digital Workplace during pandemic
- Datamatics refreshed its logo to reflect Company's comprehensive digital offerings and growth strategy
- As a part of CSR initiative, Datamatics helped Brihanmumbai Municipal Corporation (BMC) manage the migrant workers crisis by setting up an emergency digital call center and collaborated with NGOs to provide food and supplies to over 6.5 lakh citizens. Additionally Datamatics set up data analytics cell that gave real-time insights and updates of the ground situation to BMC officials.

### Key Analyst Recognition:

- TruBot RPA recognized as a Strong Performer in Forrester Wave for RPA, Q1 2021
- TruCap+ IDP recognized as a Major Contender and Star Performer in Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2021
- Datamatics recognized as Major Contender in the Everest Intelligent Process Automation (IPA) – Solutions PEAK Matrix® Assessment 2021
- Datamatics a Major Player in IDC MarketScape: Worldwide Digital Finance and Accounting Business Process Services 2020-2021
- TruCap+ IDP recognized as a Leader in SPARK Matrix: Intelligent Document Processing (IDP), 2020
- Datamatics named as Product Challenger in the ISG Provider Lens™ Intelligent Automation – Solutions and Services – US and UK 2020
- Datamatics recognized in the Gartner Peer Insights 'Voice of the Customer': Robotic Process Automation 2020
- TruBot RPA recognized by Everest Group as a Major Contender in its Robotic Process Automation (RPA) Peak Matrix 2020.
- Datamatics acknowledged as a key player in RPA market in the report 'Datamatics looks to broaden its footprint in the RPA market' by 451 Research
- Datamatics recognised as 'Innovator' in Nelson Hall

## Intelligent Automation in Banking NEAT Report 2021

### Key Awards

- Datamatics recognised for being among the Top Companies in the Private sector at the United Nations Global Compact Network India (UN GCNI) Innovative Practices Award "Women at Work" – 2020
- Datamatics named as 'Leader' in the IAOP 2021 Global Outsourcing 100 List
- TruBot RPA recognised at Gold Stevie Award 2020 for 'Sales & Customer Service', TruCap+ IDP won People's Choice Stevie Award 2020 for 'Favourite New Products'
- Datamatics won the CRN Excellence Award 2020 for its innovative virtual reality gaming App for Alzheimer's patients

### C. Business drivers

**Products & Platforms:** Datamatics is investing in developing as well as updating its own IP solutions in the digital technology space. Datamatics Intelligent Automation Platform (IAP) is a unified platform to automate a series of tasks, processes, and unstructured and semi-structured data in documents. The IAP combines the capabilities of TruBot for Robotic Process Automation (RPA), TruCap+ for Intelligent Document Processing (IDP) along with artificial intelligence (AI)/machine learning (ML) models developed by Datamatics. Apart from this Datamatics has developed iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection. All these products and platforms are getting good traction in the market.

In FY21, Datamatics launched a new AI-enabled TruCap+ IDP solution which was recognized as a Major Contender and Star Performer by Everest Group in its IDP PEAK Matrix® 2021

**Partner and reseller channels:** On the back of product strategy, Datamatics continues to invest in expanding its partner network. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally. The partner strategy has now started showing results with some deals being closed and a healthy pipeline.

**Automated Fare Collection (AFC):** This has been a focus area for Datamatics, with it being the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. Datamatics sees this as a huge opportunity in US and emerging economies around the world, including India. Currently Datamatics has made substantial progress in implementing AFC solutions for Mumbai Metro (Line 2A and 7); and Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA.

**Digital Solutions – Intelligent Automation, Digital Experiences, Cloud:** Datamatics is well positioned to implement digital technologies, such as Intelligent Document Processing, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY 21, Datamatics continued making significant efforts and investments in strengthening its digital footprint.

**Account Penetration:** Datamatics has customers across industries; many of these are Fortune 500 companies.



Datamatics is focusing on deeper penetration within the customer accounts through account management for cross-selling and up-selling through its integrated sales and marketing efforts.

**Branding & Marketing:** Datamatics has been investing in marketing and branding efforts for increasing visibility, strengthening digital footprint and geographic reach. In FY21 Datamatics successfully concluded its virtual Intelligent Automation Summit which was attended by over 1700 senior professionals from different industries across Americas, Europe, Middle East and India regions.

#### D. Business performance

Datamatics consolidated revenue was at ₹ 11,491 million, down by 4.5%, in constant currency down by 8.5% vis-à-vis FY 19-20 and profit after tax increased by 25.1%. of the total revenue, IT solutions – include application management services, digital solutions such as Robotic Process Automation, Digital Experiences, Cloud solutions, analytics as well as Automated Fare Collection – constitute 51%. On the other hand, Business Process Management constitute 49% of total revenues. The revenues from IT solutions de-grew by 16.9% and Business Process Management grew by 13.2% year-on-year.

#### E. Financial performance

##### Balance Sheet

##### Equity and Liabilities

##### EQUITY

(₹ in millions)			
Particulars	March 31, 2021	March 31, 2020	Change
Equity share capital	294.75	294.75	-
Other equity	6,864.64	6,564.18	300.46
Non-controlling interests (NCI)	(6.94)	220.15	227.09
<b>Total equity</b>	<b>7,152.45</b>	<b>7,079.08</b>	<b>73.37</b>

❖ Owner's equity – Has increased from ₹ 6,858.9 million to ₹ 7,159.4 million, movement is primarily attributed to total comprehensive income of ₹ 1,025.8 million and removal of equity of ₹ 745.5 million of Cignex due to its divestment.

❖ Non-controlling interest – Reduced from ₹ 220.2 million to ₹ (-) 6.9 million, primarily due to removal of NCI pertaining to Cignex due to its divestment.

##### LIABILITIES

(₹ in millions)			
Particulars	March 31, 2021	March 31, 2020	Change
Non-current liabilities	382.89	440.18	(57.29)
Current liabilities other than borrowings	1,545.32	1616.44	(71.12)
<b>Total liabilities</b>	<b>1,928.21</b>	<b>2,056.62</b>	<b>(128.41)</b>

❖ Non- current liabilities includes maturity of lease liabilities, creditors for capital expenditure, fair value of outstanding forward contracts and provision for employee benefits plan. The decrease in Non- current liabilities is primarily due to decrease in fair value of outstanding forward contracts from ₹ 51.7 million to ₹ 5.1 million.

❖ Current liabilities other than borrowings includes trade payable, fair value of outstanding forward contracts, fair value of outstanding contingent consideration, maturity of lease liabilities, unearned revenue, advance from customers, accrued employee liabilities, unpaid dividend and other contractual

liabilities. The decrease is primarily attributed to decrease in fair value of outstanding forward contracts by ₹ 30.5 million, fair value of outstanding contingent consideration by ₹ 22.2 million as the same was settled during the year, statutory dues by ₹ 54.3 million and unearned revenue by ₹ 75.8 million and offset by increase in advance from customers by ₹ 93.5 million.

##### ASSETS

(₹ in millions)			
Particulars	March 31, 2021	March 31, 2020	Change
<b>Non-current Assets</b>			
Property, Plant and Equipment, capital work in progress	1,155.00	1,187.42	(32.42)
Goodwill / other intangibles	979.40	2289.66	(1,310.26)
Other non- current assets	531.88	462.20	69.68
<b>Total</b>	<b>2,666.28</b>	<b>3,939.28</b>	<b>(1,273.00)</b>

❖ Addition to Fixed assets were ₹ 164.2 million during the year as compared to ₹ 210.1 million in previous year.

❖ Goodwill / Intangibles reduction is primarily due to impairment of ₹ 365.9 million and removal of goodwill due to Cignex Divestment ₹ 833.4 million.

❖ Others non- current assets includes investments, deferred tax and non- current tax. Increase is mainly in deferred tax assets and non-current tax assets.

(₹ in millions)			
Particulars	March 31, 2021	March 31, 2020	Change
<b>Current Assets</b>			
Investment, cash and cash equivalents, bank balances (Cash, bank and investments )	2,584.51	2,242.19	342.32
Less- Current Borrowings	-	(964.64)	964.64
Net Cash, bank and investments	2,584.51	1,277.55	1,306.96
Receivables	1,835.01	2,724.51	(889.50)
Other	1,994.86	1,194.36	800.50
<b>Total</b>	<b>6,414.38</b>	<b>5,196.42</b>	<b>1,217.96</b>

❖ Primary reason for increase in cash, bank and investment balances is due to significant improvement in collection, days sales outstanding reduced significantly from 83 days as of March 31, 2020 to 65 days as of March 31, 2021.

❖ Other current assets includes security deposits, unbilled revenue, balances with government authorities, prepaid expenses and other financial assets. Other assets mainly increased due to receivable from Cignex toward divestment of Cignex stake amounting to ₹ 640.8 million and increase in unbilled revenue by ₹ 129.5 million.

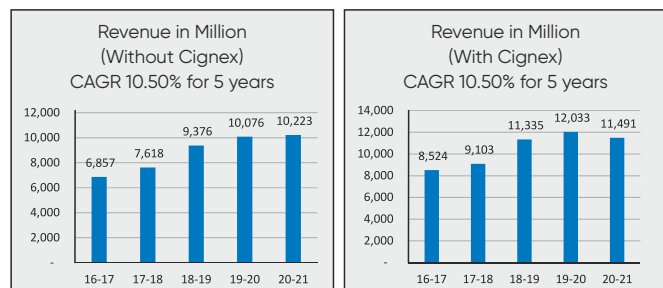
##### Statement of Profit and Loss

##### Revenue from operations

❖ Revenue at ₹ 11,490.1 million; down 4.5% YoY because of non-inclusion of Cignex revenue in Q4FY21 and impact of pandemic in the initial quarters. Revenue without Cignex in FY21 was ₹ 10,223.8 million as compared to ₹ 10,076.3 million in FY20, an increase of 1.5%.

❖ Our adjusted quarterly revenue rate is now approximately ₹ 2500 million with a spike in the fourth quarter due to the tax return processing business that we do.

❖ 5 years revenue and CAGR without Cignex and with Cignex is as below:



#### Other Income

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020	Change
Exchange gain	21.04	152.63	(131.59)
Interest, dividend and profits on investments	34.09	21.51	12.58
Interest others	20.14	1.19	18.95
Miscellaneous Income (including Advances and excess provisions written back and profit on sale of fixed assets)	32.26	29.77	2.49
<b>Total</b>	<b>107.53</b>	<b>205.10</b>	<b>(97.57)</b>

- ❖ The decrease in other income is primarily due to exchange gains.
- ❖ Interest others mainly includes interest on income tax refunds and interest accrued on amount receivable from Cignex toward redemption of its shares.

#### Expenditure

- ❖ Operating expenses (excluding depreciation and finance costs) include purchase of IT products and licenses, employee benefits expense and other expenses. The total operating expenses stood at ₹ 10,068.1 million in FY 2020-21 compared to ₹ 10,797.5 million in FY 2019-20. Operating expenses as a percentage to revenue has decreased from 89.7% of revenue in FY 2019-20 to 87.6% of revenue in FY 2020-21.
- ❖ Employee benefits expense has decreased to ₹ 7,707.9 million in FY 2020-21 from ₹ 7,750.7 million in FY 2019-20. Employee benefit expenses have increased from 64.4% of

revenue in FY 2019-20 to 67.1% of revenue in FY 2020-21.

#### Depreciation and Amortization

- ❖ Depreciation charge has increased to ₹ 394.8 million in FY 2020-21 from ₹ 370.0 million in FY 2019-20.

#### Exceptional items

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020	Change
Profit on Sale of Investment	36.50	-	36.50
Impairment of goodwill and other assets	(365.89)	157.72	(523.62)
Exchange gain on sale of financial assets	315.96	-	315.96
<b>Total</b>	<b>(13.43)</b>	<b>157.72</b>	<b>(171.16)</b>

- ❖ Exchange gains of ₹ 316.0 million, arising from buy back of equity capital and redemption of preference capital held in overseas subsidiaries.
- ❖ Profit on divestment of ₹ 36.5 million, of Cignex Datamatics Corporation BVI.
- ❖ Impairment charges of ₹ 365.9 million, created on goodwill, investment and other assets of some subsidiaries, based on management's assessment of changes in market conditions.
- ❖ During the previous year, On April 20, 2020, Duo Consulting Inc. ("Duo"), a subsidiary of Cignex Datamatics Inc. (Cignex USA), entered into a sale and assignment agreement ("Asset Purchase Agreement") with a third party. Under the terms of the agreement, Duo has agreed to sell contracts and computer system, assign its employees along with customer contracts, and business IT systems. Consequently, the Management of the Holding Company, in its annual assessment for goodwill impairment, has impaired the goodwill associated with Duo amounting to ₹ 157.7 million in the consolidated financial results.

#### Tax expense

- ❖ The tax expense for the year amounted to ₹ 253.5 million against ₹ 261.8 million for the previous year. The Effective Tax Rate (ETR) for the year amounted to 23.2% as compared to 29.8% in the previous year.

#### Profit after Tax

- ❖ Net profit after non-controlling Interest increased from ₹ 637.4 million in FY 2019-20 to ₹ 797.5 million in FY 2020-21.

#### Cash flow

(₹ in millions)

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17
Operating activities	1,017.75	834.81	896.07	550.59	862.11
Investing activities	(792.95)	(96.50)	(647.76)	(370.93)	(233.11)
Financing activities	(989.83)	514.01	(369.97)	(38.35)	(563.33)
<b>Net Cash flow during the year</b>	<b>(765.03)</b>	<b>1252.32</b>	<b>(121.66)</b>	<b>141.21</b>	<b>65.67</b>



## Key Financial Ratios

Key financial ratios for last 5 years

Particulars	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017
<b>Profitability Ratios</b>					
EBITDA Margin	12.4%	10.3%	11.8%	9.0%	9.7%
PBT Margin	9.5%	7.3%	10.1%	9.3%	8.1%
PAT Margin	6.9%	5.2%	6.5%	6.9%	7.5%
EPS Basic (Rs.)	13.53	10.81	12.64	10.87	10.85
<b>Liquidity Ratios</b>					
Current Ratio (In Times)	4.15	2.38	2.84	2.44	2.63
Quick Ratio (In Times)	3.81	2.21	2.63	2.34	2.52
<b>Efficiency Ratios</b>					
Debtors Turnover (No. of days)	65	83	79	82	68
<b>Leverage Financial Ratios</b>					
Debt/Equity Ratio (In Times)	-	0.14	0.05	0.11	0.10
Return on Equity Ratio	13.5%	11.4%	15.8%	10.1%	10.4%

## F. Risk management

The Company's global operations bring in considerable complexities and in response to that, Datamatics has established a robust enterprise risk and compliance management framework and process. This process provides an enterprise-wide view of risks and compliance which enables it to take a more holistic approach towards informed decision making. Some significant risks that could hinder Company operations are identified below:

### Global Economic Risk

Datamatics derives majority of its revenues from overseas geographies. The changing economic conditions, inflation, reforms in tax laws, fiscal and monetary policies in these markets could enhance cost pressure and affect the Company adversely in several ways. The Company may also witness price reduction, lose key projects and customers, deterring financial performance.

Datamatics mitigates global economic risk by generating business from new market segments and enhances steeper growth in geographies other than the US and Europe.

### Employee Related Risks

Datamatics' business is dependent on the quality of its workforce. Company's inability to attract, retain and motivate key employees would impair its ability to offer the right quality of service to the clients.

As a talent-driven organization, the Company's key goal is to have the best talent, with highly specialized skills in every business vertical, at the right levels and at the right locations, to enhance differentiation and competitiveness.

It strives to maintain its position as the employer of choice. Its Human Resources Department (HRD), is aligned with the Company's vision to attract, retain, and nurture high-quality talent.

The Company consistently tries to create a culture of learning and continuous improvement, to build and grow employee's career, across all HR functions.

## Business Continuity and Information Security

Datamatics is fully aware of Business Continuity risks arising out of global disruptions such as natural disasters, IT outages, cyber, pandemic, terror and unrest, power disruptions, to name a few. This is likely to hinder availability of people and process, technology and infrastructure.

The Company has a well-defined, robust and tested Business Continuity Plan (BCP) and Disaster Recovery (DR) processes in place. There are primary and secondary locations identified and equipped with the necessary infrastructure and facilities to ensure that the business processes can continue uninterrupted. There are dedicated, trained and empowered cross-functional teams at various levels in all locations to ensure that the BCP and DR processes are implemented in shortest possible times. Readiness according to the BCP and DR processes are regularly tested through surprise mock drills and audits. The audit and mock-drill findings are reviewed by senior management in Management Information Security Forum (MISF). In the past, the readiness was successfully verified in real scenario during the floods in Nasik and Chennai / Puducherry locations. The Company could bring up customer processes at the BCP and DR locations well-within the defined timelines. The Company was appreciated by customers for the several such occasions.

The Company's operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements and HIPAA requirements. The Company is in the final stages of renewing its PCI-DSS certification. These standards are extremely important for financial, insurance and healthcare industries.

Moreover, Datamatics successfully implemented Security Information and Event Management (SIEM) solution, strengthening Information security management framework.

### Competition Risk

The technology market is evolving at a lightning speed. The world is moving towards smart automation and the emerging digital technologies are disrupting and changing the paradigm of business operations across Industries. This

enhances the risk of competition. Datamatics manages to mitigate the competition risk by adopting the following measures:

- Datamatics invests in new technologies and product development in Robotics, Artificial Intelligence, Mobility and Analytics and consistently updates its own IP solutions in the digital technology space.
- With rapid urbanization, Datamatics is focusing on areas such as Automated Fare Collection, Smart Gates, and Contactless Gates service offerings to name a few. Datamatics has deep domain knowledge, skilled professionals, delivery capabilities and efficient sales force along with relationship managers to help retain its competitive positioning amongst peers.
- Adopting a customer centric approach together with its ability to innovate customer specific solutions, through its in-house incubation hub, DataLabs, Datamatics conducts research and development based on emerging trends and cutting-edge technologies.
- Datamatics aggressively invests in widening its partner network and believes that the evolving partner ecosystem will increase sales momentum and ensure smooth implementation and support for Datamatics IP solutions globally.

#### Legal and Regulatory Compliance Risk

Datamatics is exposed to greater compliance risks than ever before due to its presence in multiple developed and developing countries. Data Privacy and protection of personal data is a high priority concern globally. Legislations such as General Data Protection Regulation (GDPR) in Europe and California Consumer Privacy Act (CCPA) in the United States carry severe consequences for non-compliance or breach. Any violation or security breach, non-compliance or inadequacy of privacy policies and procedures can result in substantive liabilities, penalties and reputation impact.

To keep the Company protected against the risk of data privacy breach, all its contracts with the customers in the EU region have been revised to incorporate GDPR requirements. A dedicated Data Protection Officer (DPO) has been appointed to address issues, if any, raised around GDPR compliance. Regular online training and workshops on Data Privacy and GDPR are conducted to foster a culture of awareness and responsibility among its employees. GDPR awareness is an integral part of the employee induction program.

Datamatics also uses services of professional consultants under the supervision of its dedicated in-house compliance team which is equipped to anticipate compliance risks and ensure compliance with domestic as well as overseas laws and regulations. Changes in the applicable regulations are monitored and tracked on a global basis.

#### Currency Risk

Datamatics derives majority revenues in foreign currencies. Volatility in currency exchange movements negatively impacts Company's financial performance. Through appropriate hedging strategy and business marketing practices aligned

with market best practices, the management team takes adequate steps to minimize currency-related value erosion. The Company consistently reviews economic scenario and updates policies accordingly.

#### Internal Control Systems and their Adequacy

Datamatics has mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions. The Company intends to undertake further measures as necessary in line with its intent to adhere to procedures, guidelines, and regulations as applicable in a transparent manner.

The Company has appointed, M/s. SKPAG & Co., Chartered Accountants, Mumbai as Internal Auditors of the Company. During the year, the Internal Auditor has carried out Company audit on significant areas affecting the Company's business. The Audit Committee reviews its findings and recommendations at periodic intervals.

The Company's internal control system is adequate considering the nature, size and complexity of its business.

#### G. Outlook

It is one year since COVID-19 was declared a global pandemic and the threat of pandemic is far from over. Though world economy is recovering and the economic outlook is positive, the uncertainties related to the pandemic spread and severity within different regions and corresponding lockdowns can severely impact the businesses across the world.

Like last year, Datamatics priorities continue to be employee well-being, servicing and retaining customers and tightly managing cash-flows.

Employee well-being is of foremost importance for Datamatics. Protecting the health and life of all Datamaticians and their families occupies center stage. At a company level, Datamatics is implementing all the guidelines recommended by the Government to ensure the safety and well-being of employees and to reduce the spread of the pandemic in the society at large.

#### Headcount

The total number of Employees including subsidiaries as on March 31, 2021 was 10,669 as against 10,383 as on March 31, 2020.

Focus on customers. During past one year Team Datamatics worked exceedingly well working from home as well as in hybrid model and ensured continuity of services for our customers. Datamatics has the necessary infrastructure in place to ensure smooth functioning of business. Datamatics was appreciated by several of its customers for its delivery excellence over the past year and has received commendations from its customers.

As customers are increasingly adopting digital technologies to drive their businesses, it has provided an excellent opportunity to partner with them in implementing digital transformation solutions that would enable them to remain competitive. The Company has seen an increased demand from its customers for digital technologies and is fully geared up to service them.

Managing cash-flow and cost optimization continues to be a top priority for the company. The Datamatics Management



team is keeping a keen eye on cash flow, taking all the necessary efforts to actively conserve cash and curtail all discretionary spends.

Looking ahead, Datamatics will continue to focus on technologies, such as Intelligent Document Processing, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence. These digital technologies are some of the thrust areas for Datamatics and the company is investing in developing intelligent innovative solutions in these areas.

Datamatics will continue to invest in developing as well as updating its own IP solutions in the digital technology space. Datamatics is expanding its partner network and believes that the evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP solutions globally.

In addition to digital technologies, Datamatics has been focusing on areas, such as Automated Fare Collection and Smart transport as growth areas in India as well as across the globe and will continue the focus.

Datamatics is seeing an increase in demands in technology spending cycles, both from new and existing clients. This acceleration is expected to remain a key growth driver for the IT industry for the next few years as digital transformation plays out. It is an era of technology upgradation which is creating huge opportunities for the IT industry. Datamatics is also seeing specific opportunities in the process automation and dynamic content management areas.

Overall, Datamatics is well prepared to address the challenge posed by COVID-19 pandemic and remains cautious and at the same time confident of sustaining the growth momentum in coming year.

# Report on Corporate Governance

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is an integral part of Datamatics' philosophy. It is a reflection of the culture, values and policies of the Company. To meet its obligations towards its shareholders and other stakeholders, the Company has a corporate culture of conscience and consciousness; integrity, transparency and accountability for efficient and ethical conduct of business. It aims at highest standards of transparency, integrity, fairness, and accountability as well as equal treatment to all the stakeholders comprising of regulators, employees, investors, customers, vendors and the society at large.

Realizing the criticality of sound corporate governance practices to enhance shareholders and stakeholders trust, the Company observes the highest level of ethics in all its dealings. Apart from complying with the statutory requirements, effective systems and practices towards improving internal controls and promotion of ethics at work place have been institutionalized.

The Board of Directors provides leadership and guidance for establishing and executing Corporate Governance practices by balancing economic and social goals commensurate with individual and society goals at large. At Datamatics, Corporate Governance practices are effectively implemented and enforced through self-regulation as well as by adopting code of conduct & ethics.

The Company firmly believes that corporate governance standards should go beyond the law and must satisfy the spirit

of law and not just the letter of the law. This is a way of life at Datamatics and is driven relentlessly across the organization.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations') and the Companies Act, 2013 ('the Act').

## II. BOARD OF DIRECTORS

### a. Size and Composition of the Board:

The Board of Directors, along with its Committees, critically evaluates the Company's strategic direction, entrepreneurial leadership, management policies, possible risks and risk mitigation measures and their effectiveness. Thus, the Board provides strategic roadmap for the Company's future growth.

The Board has an optimum combination of Executive and Non-Executive Directors with effective balance of Independent and Non-Independent Directors, in conformity with Regulation 17(1) of the SEBI Listing Regulations and other applicable regulatory requirements.

Currently, the Board of Directors comprises of Eight eminent persons of proven competence and integrity. The names and category of Directors on Board of the Company, name of the listed entities in which the Director is a Director and number of Directorships / Committee Membership(s) / Chairmanship(s) held by them in other Companies as on March 31, 2021 is summarized as under:

Name	Category	Directorship(s)/Committee Membership(s)/Chairmanship(s)			Directorship in other listed entities
		Directorship(s) (see note no.1 )	Committee Membership(s) (see note no. 2)	Chairmanship(s) (see note no. 2)	
EXECUTIVE DIRECTORS					
Dr. Lalit S. Kanodia Chairman & Whole -Time Director®	Promoter Non-Independent	4	-	-	RPG Life Sciences Limited, Independent Director
Mr. Rahul L. Kanodia Vice Chairman & CEO	Promoter Group Non-Independent	4	-	-	Safari Industries (India) Limited, Independent Director
NON-EXECUTIVE DIRECTORS					
Mr. Sameer L. Kanodia	Promoter Group Non-Independent	3	1	-	NA
Mrs. Asha L. Kanodia	Promoter & Non-Independent	-	-	-	NA
Mr. R. K. Saraswat	Independent	3	2	2	• Priya International Limited, Independent Director; • Priya Limited, Independent Director.
Mrs. Mona Bhide	Independent	2	1	-	• Vinati Organics Limited; Non-Executive Independent Director
Mr. Dilip D. Dandekar	Independent	6	1	1	• Kokuyo Camlin Limited; Executive Director • Camlin Fine Sciences Limited Non-Executive Non-Independent Director
Mr. Vinay M. Aggarwal#	Independent	-	-	-	NA

<sup>@</sup> Dr. Lalit S. Kanodia was re-appointed as Chairman & Whole Time Director of the Company with effect from May 15, 2020.

<sup>#</sup> Mr. Vinay M. Aggarwal was re-appointed as an Independent Director for the second consecutive term with effect from August 28, 2020.



**Notes:**

1. Directorship excludes directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Act and Datamatics Global Services Limited;
2. This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies excluding Datamatics Global Services Limited.

None of the Directors on the Board are members of more than 10 (Ten) Committees or Chairman of more than 5 (Five) Committees as specified in Regulation 26 of the SEBI Listing Regulations across all the Companies in which they are Directors.

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. The Independent Directors have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management.

**b. Board Meeting and Procedures:**

The Board, to look at the long-term strategic planning, financial statements and policy reviews, meets at least once in a quarter to review financial results and operations of the Company. The Notice along with the agenda of the Board/Committee Meeting and comprehensive notes are

given well in advance to all the Directors to enable them to take informed decisions. In case of special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by the Act, and are placed and confirmed by the Board at the next Board Meeting. The Agenda for the Board/Committee meetings are prepared by the Company Secretary in consultation with the Chairman, CEO and CFO of the Company. Every Director of the Company has liberty to recommend inclusion of items on the agenda.

All statutory and other matters of significant importance including information as mentioned in Schedule II Part A of the SEBI Listing Regulations are tabled before the Board for their discussions and consideration. The compliance reports of applicable laws, rules and regulations and the minutes of the meetings of the Committees of the Board and of the subsidiary companies are placed before the Board.

The draft Minutes are circulated amongst the members of the Board for their perusal. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are noted by the members and signed by the Chairman of the Board at the next Meeting.

During the financial year 2020-21, 6 (Six) Board Meetings were held on **May 14, 2020; September 10, 2020; November 04, 2020; November 24, 2020; January 28, 2021 and March 22, 2021**. The necessary quorum was present for all the meetings. With reference to the Regulation 17 of the SEBI Listing Regulations, the gap between the two Board Meetings has not exceeded one hundred and twenty days.

The attendance of each Director at the Board Meetings for the financial year 2020-21 and the last Annual General Meeting is detailed as under:

Name of the Director	Board Meetings		Attendance at the last Annual General Meeting held on December 26, 2020
	Held	Attended	
Dr. Lalit S. Kanodia	6	6	Yes
Mr. Rahul L. Kanodia	6	6	Yes
Mr. Sameer L. Kanodia	6	6	Yes
Mr. R. K. Saraswat	6	6	Yes
Mr. Dilip D. Dandekar	6	6	Yes
Mrs. Asha L. Kanodia *	6	4	Yes
Mr. Vinay M. Aggarwal	6	6	Yes
Mrs. Mona Bhide	6	6	Yes

\* Mrs. Asha L. Kanodia was appointed as an Additional Director designated as Non Executive Non Independent Director of the Company by the Board of Directors in their meeting held on September, 10, 2020. Her appointment as Non Executive Non Independent Director of the Company was regularized by the members of the Company in the Annual General Meeting held on December 26, 2020.

**c. Disclosure of relationships between Directors inter se:**

- Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia are sons of Dr. Lalit S. Kanodia and Mrs. Asha L. Kanodia.
- Mrs. Asha L. Kanodia is wife of Dr. Lalit S. Kanodia.

**d. Details of shares and convertible instruments held by Non-Executive Directors:**

- Mr. R. K. Saraswat is holding 1,000 shares in the Company.
- Mr. Sameer L. Kanodia is holding 14,72,858 shares in the Company.
- Mrs. Asha L. Kanodia is holding 33,05,258 shares in the Company.

**e. Familiarization Program for Independent Directors:**

All the Independent Directors inducted on the Board are given an orientation program about Company's nature of industry, business model, group structure, organization structure and such other areas. These programs provide insights into the Company to enable them to perform their roles, duties, responsibilities and make effective contribution as Independent Directors of the Company. The details on the Company's methodology of the Familiarization Program and the details of familiarization programs imparted to Independent Directors can be accessed at <https://www.datamatics.com/about-us/investor-relations/corporate-governance>

**f. Key Board qualifications, Expertise and Attributes**

The Company's Board comprises qualified members who bring in the required skills, competence and expertise that allow them to make effective contribution to the Board and its committees. The Board members are committed to

ensuring that the Company is in compliance with the highest standards of corporate governance.

The table below summarizes key qualifications, skills and attributes which are taken into consideration while nominating candidates to serve on the Board.

Sr. No.	Key qualifications, skills and Attributes
A1	General Management and Business Operations
A2	Thought Leadership
A3	CEO/Senior Management Experience
A4	IT Industry
A5	Public Policy/Governmental Regulations
A6	Accounting/Finance/Legal

Sr. No.	Key qualifications, skills and Attributes
A7	Risk Management
A8	Human Resources Management
A9	Strategy/M&A/Restructuring
A10	Corporate Governance
A11	Business Development/Sales/Marketing
A12	International Business

Name of Director	A1	A2	A3	A4	A5	A6	A7	A8	A9	A10	A11	A12
Dr. Lalit S. Kanodia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Rahul L. Kanodia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mrs. Asha L. Kanodia	✓	✓	-	✓	✓	✓	-	-	-	✓	✓	-
Mr. Sameer L. Kanodia	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Mr. R. K. Saraswat	✓	✓	✓	✓	✓	✓	-	-	✓	✓	✓	✓
Mr. Dilip D. Dandekar	✓	✓	✓	-	✓	✓	✓	-	✓	✓	✓	✓
Mr. Vinay M. Aggarwal	✓	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓
Mrs. Mona Bhide	✓	✓	✓	-	✓	✓	✓	-	✓	✓	✓	✓

**III. COMMITTEES OF THE BOARD:**

Currently, the Board has the following four committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholders Relationship Committee;
4. Corporate Social Responsibility Committee;
5. Risk Management Committee.

**AUDIT COMMITTEE**

The Company has constituted a well-qualified and independent Audit Committee as required under Section 177 of the Act, read with Rules thereto, and is also in compliance with Regulation 18 of the SEBI Listing Regulations. The role of audit committee and the information reviewed by it is as per Part C of Schedule II of the SEBI Listing Regulations, including but not limited to overseeing financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of auditors and internal auditors, scrutiny of intercorporate loans and investments and to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

The Company Secretary of the Company acts as Secretary of the Committee.

**Description of Terms of Reference:**

The terms of reference of the Audit Committee are as follows:

- i. Review of financial statements before they are submitted to the Board for adoption;
- ii. Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the

auditors;

- iii. Review of quarterly, half yearly and yearly financial statements and audit report before they are presented to the Board, focusing inter-alia upon:

- Accounting Policies and any changes thereto;
- Major accounting entries based upon exercise of judgment by the management;
- Ensuring compliance with the Accounting Standards;
- Significant issues arising out of audit;
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 314 of the Companies Act, 2013;
- Modified opinion(s) in the draft audit report;
- Compliance with the laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.

- iv. Review and monitor auditor's independence and performance and effectiveness of the audit process;
- v. Approve any subsequent modification of the transactions with the Related Parties;
- vi. Scrutiny of inter corporate loans and investments;
- vii. Valuation of undertaking and assets;
- viii. Review with the management, performance of the statutory

and internal auditors and the adequacy of internal control systems;

- ix. Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- x. Review of the Company's financial and risk management systems;
- xi. Investigating the reasons for substantial defaults, if any, in the payment to the depositors, shareholders. (In case of non-payment of declared dividends), and creditors;
- xii. Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board;
- xiii. Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
- xiv. Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company;
- xv. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- xvi. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- xvii. Consider any other matter as may be requested by the Board;
- xviii. Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- xix. Perform such other functions as may be necessary or appropriate for the performance of its duties.

▪ **Composition, Name of Members and Chairman:**

The Audit Committee comprised of 4 (four) members i.e. 3 (three) Non-Executive Independent Directors viz. Mr. Vinay M. Aggarwal (Chairman), Mr. Dilip Dandekar and Mr. R. K. Saraswat and 1 (One) Executive Director viz. Mr. Rahul L. Kanodia.

All members of the Committee are well versed with finance, accounts, corporate laws and general business practices. The Company Secretary of the Company acts as the Secretary of the Committee.

The meetings of Audit Committee are also attended by Chief Financial Officer and Partner of Statutory Auditors. Minutes of the Committee meetings are circulated to the Members and are placed before the Board for noting. The role of Audit Committee and the information reviewed by it is as per Part C of Schedule II of SEBI Listing Regulations including but not limited to overseeing of financial reporting process, review of financial results and related parties transactions, recommendation of appointment,

remuneration and terms of statutory and internal auditors, scrutiny of intercorporate loans and investments, evaluation of internal financial controls and risk management systems.

▪ **Meetings and Attendance during the year:**

During the year under review, the Committee met 6 (Six) times on **May 14, 2020; September 10, 2020; November 04, 2020; November 24, 2020; January 28, 2021 and March 22, 2021** and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended the last AGM held on December 26, 2020.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Vinay M. Aggarwal#	Independent	Chairman	6	6
Mr. R. K. Saraswat#	Independent	Member	6	6
Mr. Rahul L. Kanodia	Non-Independent	Member	6	6
Mr. Dilip D. Dandekar	Independent	Member	6	6

# Mr. Vinay M. Aggarwal was appointed as Chairman of the Audit Committee and Mr. R. K. Saraswat stepped down as the chairman and continued as the member of the Audit Committee with effect from January 28, 2021.

**NOMINATION AND REMUNERATION COMMITTEE (NRC)**

The Nomination and Remuneration Committee is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The role of this committee and the information reviewed by it is as per Part D of Schedule II of SEBI Listing Regulations.

• **Description of Terms of Reference:**

The terms of reference of the NRC are as under:

- i. Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills;
- ii. Formulation of the criteria for determining such as qualifications, positive attributes and independence for appointment of persons as Directors;
- iii. Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- iv. Devising a policy on diversity of Board of Directors;
- v. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- vi. Recommend to the Board all matters relating to the compensation (including annual increments, incentives and revision in salary) payable by the Company to the Senior Management;
- vii. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall ensure that—

- (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- viii. Consider any other matter as may be requested by the Board;
- ix. Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- x. Perform such other functions as may be necessary or appropriate for the performance of its duties.

▪ **Composition, Name of Members and Chairman:**

The Nomination and Remuneration Committee (NRC) comprised of 3 (three) members i.e. Mr. Vinay M. Aggarwal (Chairman, being Non-Executive Independent Director), 1(one) Executive Director viz. Dr. Lalit S. Kanodia and 1(one) Non-Executive Independent Director viz. Mr. R. K. Saraswat.

The Company Secretary of the Company acts as the Secretary of the Committee.

▪ **Meetings and Attendance during the year:**

During the year under review, the Committee met 2 (Two) times on **May 14, 2020 and September 10, 2020**. The Chairman of the Nomination and Remuneration Committee attended the last AGM held on December 26, 2020.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Vinay M. Aggarwal#	Independent	Chairman	2	2
Dr. Lalit S. Kanodia	Non-Independent	Member	2	2
Mr. R. K. Saraswat #	Independent	Member	2	2

# Mr. Vinay M. Aggarwal was appointed as Chairman of the Nomination and Remuneration Committee and Mr. R. K. Saraswat stepped down as the chairman and continued as the member of the Nomination and Remuneration Committee with effect from January 28, 2021.

▪ **Performance evaluation criteria for Independent Directors:**

The performance evaluation framework is in place and has been circulated to all the Directors. The factors that are evaluated includes participation and contribution by a Director, commitment and efforts taken by Director to promote mutual trust and respect, assisting in implementing and enhancing corporate governance activities, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgement.

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The role of the Stakeholders Relationship Committee is as specified in Part D of Schedule II which includes – to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

• **Description of Terms of Reference:**

The terms of reference of the Stakeholders Relationship Committee are as under:

- i. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- ii. Review of measures taken for effective exercise of voting rights by shareholders;
- iii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- iv. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- v. Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- vi. Review measures taken for effective exercise of voting rights by shareholders;
- vii. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- viii. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company;
- ix. Consider any other matter as may be requested by the Board;
- x. Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- xi. Perform such other functions as may be necessary or appropriate for the performance of its duties.

▪ **Composition, Name of Members and Chairman:**

The Stakeholders Relationship Committee comprised of 3 (three) members i.e. 2 (two) Non-Executive Independent Directors viz. Mr. Vinay M. Aggarwal (Chairman) and Mr. R. K. Saraswat and 1 (one) Executive Director viz. Mr. Rahul L. Kanodia.

The Company Secretary of the Company acts as the Secretary of the Committee.

▪ **Meetings and Attendance during the year:**

During the year under review, the Committee met 4 (Four) times on **May 14, 2020, September 10, 2020, November 04, 2020 and January 28, 2021**. The Chairman of the Stakeholders Relationship Committee attended the last AGM held on December 26, 2020.

The details of the Committee meetings held and attended by its

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Vinay M. Aggarwal#	Independent	Chairman	4	4
Mr. R. K. Saraswat #	Independent	Member	4	4
Mr. Rahul L. Kanodia	Executive Director	Member	4	4

# Mr. Vinay M. Aggarwal was appointed as Chairman of the Stakeholders Relationship Committee and Mr. R. K. Saraswat stepped down as the chairman and continued as the member of the Stakeholders Relationship Committee with effect from January 28, 2021.

**Name, Designation and Address of Compliance Officer:**

Ms. Divya Kumart,  
Executive Vice President, Chief Legal Officer & Company Secretary  
Datamatics Global Services Limited  
Knowledge Centre, Plot No. 58, Street No. 17,  
MIDC, Andheri (East), Mumbai – 400 093.  
Tel: +91-22-6102 0000 | Fax: +91-22-28343669  
Email: investors@datamatics.com

▪ **The details of shareholders grievances received and resolved during FY 2020 -21 is given below:**

Sr. No.	Nature of Complaints	Opening	Received	Resolved	Pending
1.	Non-receipt of Dividend, and Misc.	0	11	11	0
2.	Non-receipt of Annual Reports/ Notices	0	0	0	0
3.	Others	0	4	4	0
Total		NIL	15	15	NIL

No shareholders grievances are pending as on the end of financial year.

**CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility [CSR] Committee of Directors is constituted in accordance with the provisions of Section 135 of the Act and the Rules framed thereunder. The Committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the Corporate Social Responsibility Policy.

• **Description of terms of reference:**

The terms of reference of the CSR Committee are as under:

- Formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Act and rules made thereunder;

- Recommend the amount of expenditure to be incurred on the CSR activities;
- Monitor the implementation of the CSR Policy of the Company from time to time;
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects/programmes/activities proposed to be undertaken by the Company.

▪ **Composition, Name of Members and Chairman:**

The CSR Committee of the Board of Directors comprises of 3 (three) members i.e. 1 (one) Executive Director viz. Mr. Rahul L. Kanodia (Chairman) and 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat and Mr. Sameer L. Kanodia. The Company Secretary of the Company acts as the Secretary of the Committee.

▪ **Meetings and Attendance during the year:**

During the year under review, 1 (One) meeting was held on **May 14, 2020**. The Chairman of the CSR Committee attended the last AGM held on December 26, 2020.

The details of Committee meetings held and attended by its members are given below:

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Rahul L. Kanodia	Non – Independent	Chairman	1	1
Mr. R. K. Saraswat	Independent	Member	1	1
Mr. Sameer L. Kanodia	Non – Independent	Member	1	1

**RISK MANAGEMENT COMMITTEE:**

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations, 2021, top 1000 listed entities based on market capitalization as at the end of the immediate previous financial year are required to constitute a Risk Management Committee ('RMC').

The Board of your Company has constituted the Risk Management Committee of the Board effective May 26, 2021 in accordance with the Listing Regulations. The primary role of the RMC is that of assisting the Board in overseeing the Company's risk management processes and controls. RMC, through the Risk Management Policy, seeks to minimize adverse impact on the business objectives and enhance stakeholder value.

• **Description of terms of reference:**

The terms of reference of the RMC Committee are as under:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - Measures for risk mitigation including systems and processes for internal control of identified risks;
  - Business continuity plan.



- ii. To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- iv. To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

• **Composition, Name of Members and Chairman:**

The RMC Committee of the Board of Directors comprises of 3 (three) members viz. Mr. Vinay Aggarwal, Non-Executive Independent Director (Chairman), Mr. Rahul L. Kanodia, Executive Director and Mr. Sandeep Mantri, Chief Financial Officer as members. The Company Secretary of the Company acts as the Secretary of the Committee.

• **Meetings and Attendance during the year:**

The Risk Management Committee was constituted on May 26, 2021. Thus no meetings were held during the FY 2020-21.

#### IV. Remuneration of Directors:

##### A. Remuneration Policy:

In terms of Section 178 of the Act, the Remuneration Policy has been formulated by the Nomination and Remuneration Committee of the Company and approved by the Board of Directors. The Policy ensures that:

- i. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

##### B. Pecuniary relationship or transactions of the Non-Executive Directors vis-a-vis the listed entity:

The Company did not have any material pecuniary relationship or transactions with the Non-Executive Directors.

##### C. Criteria for making payment to Non-Executive Directors:

Criteria for making payment to Non-Executive Directors is disclosed on the website of the Company at <http://www.datamatics.com/about-us/investor-relations/corporate-governance/Criteria for Payment to Non-Executive Directors.pdf>.

##### D. Disclosure with reference to Remuneration to Whole-time Directors, other Executive Directors and Non-Executive Directors:

The Whole-time Directors are paid remuneration by way of salary, commission, perquisites, incentives and allowances, as recommended by NRC and approved by the Board of Directors and the members of the Company from time to time. Non-Executive Independent Directors are entitled for sitting fees for attending meetings of the Board of Directors and Audit Committee. Non-Executive Directors are also paid remuneration by way of commission up to a maximum limit of 0.25% of net profits of the Company for the financial year, as approved by the Members of the Company. The sitting fees being paid is within the limit prescribed under the Act.

The details of remuneration paid to the Directors during the financial year 2020-21 is given in Form MGT-9 which is annexed to the Board's report:

1. Details of fixed component and performance linked incentives along with performance criteria:
  - a. The remuneration to the Executive Directors is determined by NRC and the same is recommended to the Board for their approval. The said remuneration is subject to approval of the shareholders and Central Government, if required. The details of the said remuneration is given in Form MGT-9 which is annexed to the Board's Report;
  - b. Annual increment of the Executive Directors is determined on the basis of the recommendations of NRC which is within the overall limit for remuneration as approved by the shareholders.
2. Terms of Appointment of Executive Directors:
  - a. Appointment of the Executive Directors is done for a maximum period of 5 (five) years as per provisions of the Act;
  - b. Resignation from the position of Executive Directorship is addressed to the Board of Directors;
  - c. All element of remuneration package summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc. are given in Form MGT-9 which is annexed to the Board's Report.

#### V. INDEPENDENT DIRECTORS MEETING:

Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on January 28, 2021, without the presence of Non-Independent Directors and Members of Management, to consider, inter alia, the following: (a) review the performance of Non-Independent Directors and the Board as a whole; (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors; (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present in the Meeting and the Meeting was chaired by Mr. R. K. Saraswat.



**VI. GENERAL BODY MEETINGS:****A. Details of Annual General Meetings held during last 3 (three) years, and the special resolution(s) passed thereat, are as follows:**

Year	Date of Meeting	Time	Place of Meeting	Details of Special Resolution(s) passed
2017-18	August 14, 2018	4.00 p.m.	Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.	No Special Resolution passed.
2018-19	August 13, 2019	2.00 p.m.	Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.	<ol style="list-style-type: none"> <li>1. Re-appointment of Mr. R. K. Saraswat as an Independent Director.</li> <li>2. Re-appointment of Mr. Dilip D. Dandekar as an Independent Director</li> <li>3. Approval for payment of commission to Non Executive directors of the Company.</li> <li>4. Payment of remuneration to Dr. Lalit S. Kanodia exceeding limits as per Regulation 17 (6)(e) of SEBI (LODR) Regulations, 2015.</li> <li>5. Payment of remuneration to Mr. Rahul L. Kanodia exceeding limits as per Regulation 17 (6)(e) of SEBI (LODR) Regulations, 2015.</li> </ol>
2019-20	December 26, 2020	11.30 a.m.	Through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM").	<ol style="list-style-type: none"> <li>1. Appointment of Mrs. Asha L. Kanodia as Non-Executive Non-Independent Director of the Company.</li> <li>2. Re-appointment of Dr. Lalit S. Kanodia as Chairman &amp; Whole Time Director of the Company.</li> <li>3. Re-appointment of Mr. Vinay Aggarwal as Independent Director of the Company.</li> <li>4. Divestment of entire 62.51% shares in CIGNEX Datamatics Inc. (a corporation headquartered in the USA), indirectly held by the Company through Datamatics Global Technologies Limited (Mauritius).</li> </ol>

**B. Extraordinary General Meeting:**

No Extraordinary General Meeting of the members was held during the year.

**C. Postal Ballot:**

- During the year under review, no resolution was passed through the postal ballot.
- None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

**VII. MEANS OF COMMUNICATION:**

- **Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Financial Express' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: [www.datamatics.com](http://www.datamatics.com).
- **Website:** The Company's website: [www.datamatics.com](http://www.datamatics.com) contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.
- **BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company is regular in posting its Shareholding Pattern, Corporate

Governance Report and Corporate Announcements electronically at <https://listing.bseindia.com>.

- **NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are filed electronically on NEAPS. The Company is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://www.neaps.nseindia.com>.
- **SEBI Complaints Redress System (SCORES):** The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.
- **Exclusive email-id:** The Company has an exclusive email id - [investors@datamatics.com](mailto:investors@datamatics.com) dedicated for prompt redressal of shareholders' queries, grievances etc.
- **Voluntary e-mail:** The Company voluntarily sends corporate announcements, official news releases and other communications to those shareholders who's Email IDs have been registered with the Company and depositories.

**VIII. MANAGEMENT DISCUSSION AND ANALYSIS:**

The Management Discussion and Analysis Report for the financial year 2020-21 as per the requirement of the SEBI Listing

Regulations, is given in a separate section forming part of the Annual Report.

#### IX. WEBSITE:

The Company maintains a functional website containing basic information about the Company. The website address is [www.datamatics.com](http://www.datamatics.com). The Company is disseminating following information on its website:

- a. Details of business;
- b. Terms and conditions of appointment of Independent Directors;
- c. Corporate Announcement;
- d. Composition of various committees of Board of Directors;
- e. Code of conduct of Board of Directors and Senior Management Personnel;
- f. Details of establishment of Vigil Mechanism/Whistle Blower policy;
- g. Criteria of making payments to Non-Executive Directors, if the same has not been disclosed in annual report;
- h. Policy on dealing with Related Party transactions;
- i. Policy for determining 'Material' subsidiaries;
- j. Details of familiarization programmes imparted to Independent Directors;
- k. Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances;
- l. Financial information;
- m. Shareholding pattern;
- n. Other information as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

#### X. GENERAL SHAREHOLDER INFORMATION

##### a) 33<sup>rd</sup> Annual General Meeting:

Day : Thursday

Date : September 30, 2021

Time : 11.30 a.m.

Venue : The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated January 13, 2021 read with circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

##### b) Financial Year:

The financial year of the Company starts from April 1 of every year to March 31 of the next year.

##### c) Date of Book Closure:

As mentioned in the Notice of this AGM.

##### d) Listing on Stock Exchange:

The equity shares of the Company are listed at:

- BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001;
- National Stock Exchange of India Limited, Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051.

##### e) Annual Listing Fees and Custodial Fees:

The listing fees and custodial fees for the financial year 2020-21 have been paid by your Company within the stipulated time.

##### f) Stock Code and Other related Information:

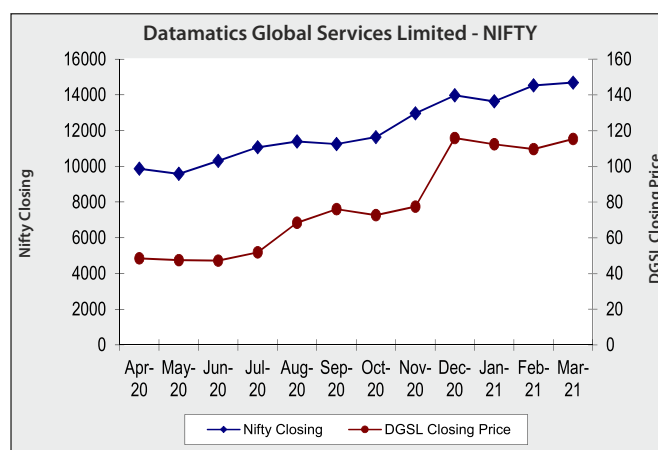
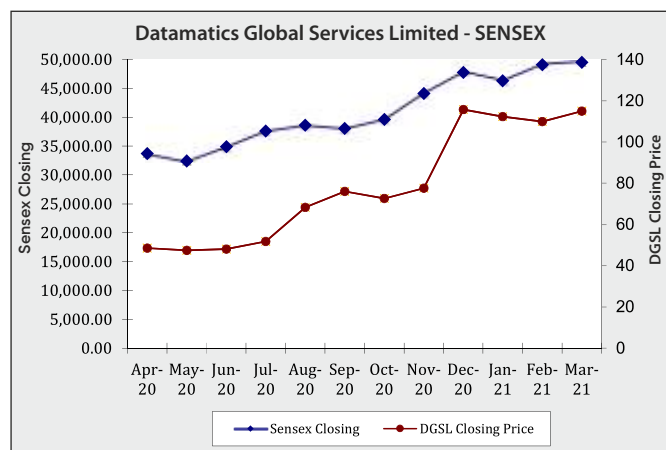
BSE LIMITED	National Stock Exchange of India Limited	ISIN	CIN
532528; DATAMATICS	DATAMATICS	INE365B01017	L72200MH1987PLC045205

##### g) Market Price Data:

Details of high and low price during each month in the last financial year on BSE Limited and National Stock Exchange of India Limited, are as under:

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2020	54.50	38.25	56.70	38.10
May – 2020	49.50	40.85	49.45	40.50
June – 2020	56.70	45.00	56.90	44.25
July – 2020	58.35	44.45	58.25	44.55
August – 2020	80.80	51.95	80.85	51.50
September – 2020	89.75	64.50	90.00	63.25
October – 2020	83.90	66.00	82.75	69.00
November – 2020	80.95	66.15	81.00	66.25
December – 2020	122.00	75.15	121.00	75.00
January – 2021	131.05	102.15	131.20	93.00
February – 2021	122.80	108.00	122.50	106.30
March – 2021	135.40	108.80	135.50	109.50

## h) Performance in comparison to broad based indices of BSE Sensex and NSE Nifty :



## i) Registrar and Transfer Agent:

**Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited)**

Plot No. B-5, MIDC,  
Part B, Cross Lane, Andheri (East),  
Mumbai – 400 093.  
Tel: 91-22-6671 2151; Fax: 91-22-6671 2250  
E-mail: [shares@datamaticsbpm.com](mailto:shares@datamaticsbpm.com)

## j) Share Transfer System:

The Company's Equity Shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Equity Shares in physical form are processed by the Registrar and Share Transfer Agents, Datamatics Business Solutions Limited and approved by the Stakeholders Relationship Committee of the Board of the Company. The share transfers are normally processed within 15 (fifteen) days from the date of receipt of the documents, if they are complete in all respects.

## k) Shareholding as on March 31, 2021:

Distribution of equity shareholding as on March 31, 2021:

Sr. No.	Shares Range		Shares	% To Capital	No. Of Holders	% To No. Of Holders
	From	To				
1	1	1000	4019563	6.82	25988	94.66
2	1001	2000	1106401	1.88	712	2.59
3	2001	4000	985118	1.67	339	1.24
4	4001	6000	833902	1.42	167	0.61
5	6001	8000	385861	0.66	55	0.20
6	8001	10000	482671	0.82	52	0.19
7	10001	20000	1065127	1.81	73	0.27
8	20001	9999999999	50070694	84.94	68	0.25
	TOTAL		58949337	100.00	27454	100.00

**Categories of equity shareholders as on March 31, 2021:**

Category	No. of shares*	% of Shareholding*
Promoters & Promoter Group	4,37,93,701	74.29
Foreign Portfolio Investor	65,700	0.11
Banks and Financial Institution	103	0.00
Individuals	1,33,29,380	22.61
NRI	4,00,360	0.68
Trust	65	0.00
Bodies Corporate	11,43,603	1.94
Clearing Member	1,17,490	0.20
Foreign Nationals	35,990	0.06
IEPF	62,945	0.11
<b>Total</b>	<b>58,949,337</b>	<b>100.00</b>

\* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2021.

**i) Unpaid/Unclaimed Dividend:**

Pursuant to the provisions of Section 124(5) of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to

Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Act.

Shareholders of the Company who have not received or encashed their dividend warrants for the financial years, as mentioned below, are requested to claim the unpaid/unclaimed dividend from the Company before its transfer to the above mentioned Fund:

Year of Declaration	Date of Declaration	Interim/Final	Rate of Dividend (In ₹)	Date of Transfer to IEPF
2013-14	September 23, 2014	Final	1.25 per share	October 22, 2021
2014-15	September 23, 2014	Interim	0.35 per share	October 22, 2021
2014-15	August 28, 2015	Final	0.65 per share	September 27, 2022
2015-16	March 21, 2016	Interim	0.50 per share	April 20, 2023
2015-16	September 15, 2016	Final	0.25 per share	October 14, 2023
2016-17	September 14, 2017	Final	0.75 per share	October 13, 2024
2017-18	March 21, 2018	Interim	0.50 per share	April 20, 2025
2017-18	August 14, 2018	Final	0.25 per share	September 13, 2025
2018-19	August 13, 2019	Final	1.00 per share	September 12, 2026

Note : An amount of Rs. 2,28,221/- lying in the Unpaid Dividend Account for the Financial Year 2012-13, has been transferred to IEPF account on November 21, 2020, the details of which is available on the website of the Company.

**m) Transfer of shares to Investor Education & Protection Fund (IEPF):**

In accordance with Section 124(6) of the Act, read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for seven consecutive years or more from the date of transfer to the unpaid dividend account are required to be transferred to the demat Account of the IEPF Authority. Accordingly, all the shares in respect of which dividends were declared upto the financial years ended March 31, 2013 and remained unclaimed, have been transferred to the IEPF. The Company had sent notices to all such Members in this regard and published a newspaper advertisement and thereafter, transferred the shares to the IEPF during FY 2020-21.

During the financial year 2020-21, the Company had transferred a total of 3,420 equity shares to the demat account of IEPF Authority. Details of these shares are available on the Company's website [www.datamatics.com](http://www.datamatics.com).

The shares and unclaimed dividend transferred to the IEPF can, however, be claimed back by the concerned Members from IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The Member is required to make an online application to the IEPF Authority in Form No. IEPF -5 (available on [www.iepf.gov.in](http://www.iepf.gov.in)). No claims shall lie against the Company in respect of the dividend/shares so transferred. The Member can file only one consolidated claim in a financial year as per the IEPF Rules.

**n) Updation of KYC details:**

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members' register and communications have been sent by the Company to eligible shareholders in this regard. Shareholders are requested to update these details at the earliest.

**o) Dematerialization of shares and liquidity:**

The shares of the Company are in compulsory demat segment and are available for trading in the depository

systems of both the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL]. The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN allotted to the Company is INE365B01017. As on March 31, 2021, 5,88,72,530 Equity Shares out of 5,89,49,337 Equity Shares of the Company, constituting 99.87% of the Company's paid-up capital are held in the dematerialized form. Share dematerialized upto March 31, 2021 are as under.

Particulars	As on March 31, 2020	
	No. of Shares	%
Shares in Demat form	5,88,72,530	99.87
- NSDL	1,89,85,846	32.21
- CDSL	3,98,86,684	67.66
Shares in Physical Form	76,807	0.13
<b>Total</b>	<b>58,949,337</b>	<b>100</b>

**p) ADRs/GDRs/Warrants:**

The Company has not issued any ADRs/ GDRs /Warrants or any other convertible instruments.

**q) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:**

The Company is exposed to foreign currency fluctuation risk due to the constant variation of the Indian Rupee. The Board of Directors have approved Forex Risk Management Policy to keep the Company hedged against the risk of forex fluctuations. Any risk arising from exposure to foreign currency for exports and is being hedged according to policy approved.

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

## r) Office Locations:

INDIA	
<b>Registered Office:</b> Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093.	
Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.	Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.
Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.	Unit No. 189-190, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.
Unit No. 105, Multistoried Building, 1st Floor, SEEPZ – SEZ, Andheri (E), Mumbai 400 096.	701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ, Andheri (East), Mumbai – 400 096.
6th floor, Eucharistic Congress Building No. III, C.S. No. 445, Ward A 885 (1A-1B) 5 Convent Street, Colaba, Mumbai 400001.	Unit No. 172, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.
Suyojit Datamatics Knowledge Center, Suyojit I.T. Park, Survey No. 804, Unit No. S1-S3, Mumbai Agra Road, Nashik – 422 002.	No. 334, 4th Floor, 27th Main Road, 2nd Sector, HSR Layout, Bangalore – 560 102.
Unit No. A-4 and A-3, 2nd Floor, Tower C, Centrum Plaza, Golf Course Road, Sector – 53, Gurgaon.	Office No. 5, 2nd Floor, Tower 1, C-25, Sector 62, Stellar IT Park, Noida – 201301.
Office No. 607, A-40, Sector 62, Noida, Uttar Pradesh, 201309, India.	Ground Floor President Plaza, Opp. Muktidham Derasar, Thaltej Cross Road, S.G Highway, Ahmedabad – 380 054, Gujarat.
“RJ Grand” R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry – 605008.	9th Floor, CITIUS A Block, Phase 1, Olympia Tech Park, Plot No. 1, SIDCO Industrial Estate, Guindy, Chennai – 600032.
12th Floor, Phase II, Ascendas IT Park, CSIR Road, Taramani, Chennai – 600 113, Tamil Nadu.	Madhapur LVS Arcade 71, Jubilee Enclave, HITEC City, Hyderabad. Telangana 500081.
No.10, Vazhudavoor Road, Pettaiyanchathiram, Thattanchavadi, Puducherry – 605 009.	91 Spring Board, Madhapur, Hitec City (Virtual Office), Hyderabad.
Cessna Business Park, Embassy Signet Building, 4th Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Bangalore – 560103.	Plot No 29-34, East Coast Road (100 Feet Road), Saram Revenue Village, Oulgaret Municipality, Lawspet Post, Puducherry – 605008.
Kalyani Neptune Sy No.152/9 & 10, Doraisanipalya Village, Bilekahalli Dhakle, Begur Hobli, Bannerghatta Road, Bangalore 560 076.	

OVERSEAS	
Suite #100 & # 400, 31572 Industrial Road, Livonia, MI – 48150.	Suite 302, 52 Atchison St, Leonards, NSW 2065.
Suite # 240, 56 Middlesex Turnpike, Burlington, MA – 01803.	KEIZERSGRACHT 391 A, 1016 EJ, Amsterdam The Netherlands.
Suite #315, 510 Thornall Street, Edison, NJ – 08837.	4633 Old Ironsides, Dr. Ste 109, Santa Clara, CA 95054, USA.
Unit No. 115, First Floor, Publishing Pavilion, Dubai, UAE.	600 Cordwainer Drive, Unit 103. Norwell MA 02061.
268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom.	1, Doughty Street, London, WC1N2PH.
4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.
107 Atlanta Tech Park, Suite 510, Peachtree Corners, Atlanta, GA 30092.	1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila.
3rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.	3rd Floor, Tower 1, Rockwell Business Center Ortigas Ave, Pasig City, 1600 Metro Manila, Philippines.
Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.	Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands.
Office 3201, 32nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE PO Box: 501755.	RJ Globus, 901-909, 8th & 9th Floor, Hanston Building, Pasig City, Philippines.
153 Milton Keynes Business Centre, Foxhunter Drive, Linford Wood, Milton Keynes, Buckinghamshire, United Kingdom, MK14 6GD.	C/O ARNECKE SIBETH LABELSTEIN, Rechtsanwälte Steuerberater, Partnerschaftsgesellschaft mbB, Oberanger 34-36, 80331 Munich.

## s) Address for Correspondence

Investors Correspondence/Compliance Officer	Registrar and Transfer Agent
<b>Ms. Divya Kumat,</b> <b>Executive Vice President, Chief Legal Officer &amp; Company Secretary</b> <b>Datamatics Global Services Limited</b> Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai – 400 093. Tel: 91-22-6102 0000/1/2   Fax: 91-22-2834 3669 E-mail: investors@datamatics.com	<b>Datamatics Business Solutions Limited (formerly known as Datamatics Financial Services Limited)</b> Plot No. B-5, MIDC, Part B, Cross Lane, Andheri (East), Mumbai – 400 093. Tel: 91-22-6671 2151   Fax: 91-22-6671 2250 E-mail: depository@datamaticsbpm.com



**XI. DISCLOSURES****a) Materially significant related party transactions:**

During the financial year 2020-2021, the Company has not entered into any material transactions with any of its related parties that may have potential conflict with the interests of the Company at large. The related party transactions entered into with the related parties as defined under the Act and with the SEBI Listing Regulations, during the financial year were in the ordinary course of business and at an arm's length basis and the same has been approved by the Audit Committee. The details of transactions with related parties are disclosed in the Notes to accounts of the Standalone Financial Statements. The Board of Directors have approved a policy for related party transactions which has been uploaded on the Company's website: <http://www.datamatics.com/investors/corporate-governance/RelatedPartyTransactionsPolicy.pdf>.

**b) Details of non-compliance/penalties/strictures imposed on the Company by the Statutory Authorities:**

There were no instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to the capital market during the financial year 2020-21.

During the year 2019-20, Company received notices from Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. respectively through letter dated August 7, 2019, for non-compliance of Listing Regulation 13 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, pertaining to submission of statement of shareholders complaints within 21 days from end of each quarter. The Company has always been meticulous in complying with the SEBI regulations and other applicable laws but the submission of Investor Complaints for quarter ended June 30, 2019 was inadvertently delayed. The fine of Rs. 2360/- each was paid to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. respectively and the said information was placed before the Board of Directors at its meeting held on August 13, 2019.

Except as mentioned above, there were no other instances of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter relating to the capital market during the last three years.

**c) Whistleblower/Vigil Mechanism:**

As per the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI Listing Regulations, the Company is required to establish an effective Vigil Mechanism for directors and employees to report genuine concerns. The Company has a Whistle-blower Policy to encourage and facilitate employees to report concerns about unethical behaviour, actual/suspected frauds and violation of Company's Code of Conduct. The policy also provides for adequate safeguards against victimisation of persons who avail the same and provides for direct access to the Chairperson of the Audit Committee.

The Whistle Blower Policy also enables the employees to report concerns relating to leak or suspected leak of Unpublished Price Sensitive Information. The Audit Committee of the Company oversees the implementation of the Whistle-Blower Policy. The Whistle Blower Policy can be accessed at the Company's website at

<https://www.datamatics.com/investors/corporate-governance/WhistleblowerPolicy.pdf>.

**d) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of the Listing Regulations:**

The Company has fully complied with the mandatory requirements of the Listing Regulations. The Company has also adopted the following non-mandatory requirements of SEBI Listing Regulation:

- The Company's financial statements have unmodified audit opinions.
- The Company has appointed separate persons to the post of Chairman and CEO.
- The internal auditors of the Company, M/s. SKPAG & Co., Chartered Accountants, reports directly to the audit committee.

**e) Policy for determining material subsidiaries:**

The Board of Directors has formulated a Policy for determining Material Subsidiaries pursuant to the provisions of the SEBI Listing Regulation. The same is displayed on the website of the Company at <http://www.datamatics.com/investors/corporate-governance/PolicyonMaterialSubsidiaries.pdf>.

**f) Appointment of Independent Director on the Board of material Unlisted Subsidiary Company:**

The Company has appointed the Independent Director on the Board of material unlisted subsidiary Companies viz. Lumina Datamatics Limited and Lumina Datamatics Inc.

**g) Policy on dealing with related party transactions:**

The Board of Directors has adopted a Policy for dealing with related party transaction pursuant to the provisions of the SEBI Listing Regulations. The same is displayed on the website of the Company at <http://www.datamatics.com/investors/corporate-governance>.

**h) CEO & CFO Certification:**

As required under Clause 33 of the SEBI Listing Regulations, the CEO and CFO certification on the Financial Statements and other matters have been obtained from Mr. Rahul L. Kanodia, Vice Chairman & CEO and Mr. Sandeep Mantri, Chief Financial Officer of the Company.

**i) Details of total fees paid to statutory Auditors:**

The details of total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of Service	₹ in millions	
	FY 2020-21	FY 2019-20
Audit Fees*	9.55	10.50
Tax Fees	0.36	0.40
Others	1.19	0.60
<b>Total</b>	<b>11.10</b>	<b>11.50</b>

\*Includes audit and audit related services

**j) Complaints pertaining to sexual harassment:**

No complaints pertaining to sexual harassment were received during the financial year under review.

**k) Non – Debarment or Non-disqualification of Directors:**

A certificate from Mr. Tushar Shridharani, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is enclosed herewith.

**XII. Disclosures of the compliance of Corporate Governance Requirement:**

The Company has made disclosures of the compliance of Corporate Governance Requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 of the SEBI Listing Regulations.

**XIII. Declaration by CEO:**

Declaration signed by Chief Executive Officer stating that the

members of Board of Directors and Senior Management personnel have affirmed compliance with the code of conduct of Board of Directors and Senior Management is appended herewith.

**XIV. Compliance certificate signed by Auditors regarding compliance of conditions of corporate governance is appended herewith.**

**XV. Disclosure with respect to shares transferred to IEPF:**

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed under the said rules. At the end of the year, i.e., as at March 31, 2021, 62,945 equity shares were lying in the IEPF.

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**Declaration by the CEO**

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Datamatics – Code of Conduct and Ethics for the financial year ended March 31, 2021.

Date: May 26, 2021  
Place: Mumbai

Rahul L. Kanodia  
Vice-Chairman & CEO



## AUDITORS' CERTIFICATE

To,

The Members of  
**Datamatics Global Services Limited**

We have examined the compliance of conditions of Corporate Governance by Datamatics Global Services Limited ('the Company') for the year ended March 31, 2021, as stipulated under regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof as adopted by the Company for ensuring the compliance with conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**

Partner  
Membership No.: 109931  
UDIN: 21109931AAAAABW7931

Place: Mumbai  
Date: May 26, 2021

**TUSHAR SHRIDHARANI**  
B. Com., LL.B., F.C.S.

Tel. : (022) 2208 5764 / 2208 5765  
Email : tushar@tusharshri.com  
Web. : www.tusharshri.com

10, New Marine Lines  
417, Jolly Bhavan No. 1  
Mumbai – 400 020

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of  
**Datamatics Global Services Limited**  
Knowledge Centre, Plot No. 58  
Street No. 17, MIDC, Andheri (East)  
Mumbai – 400 093

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Datamatics Global Services Limited having CIN – L72200MH1987PLC045205 and having Registered Office situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai – 400 093 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub-clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr.No.	Name of Director	DIN	Date of appointment in Company
1.	Dr. Lalit S. Kanodia	00008050	03-11-1987
2.	Mr. Rahul L. Kanodia	00075801	28-09-2007
3.	Mr. Sameer L. Kanodia	00008232	30-01-2008
4.	Mrs. Asha L. Kanodia	00008061	10-09-2020
5.	Mr. R. K. Saraswat	00015095	26-11-1998
6.	Mr. Vinay M. Aggarwal	00030483	27-05-2015
7.	Mr. Dilip D. Dandekar	00846901	12-08-2014
8.	Mrs. Mona M. Bhide	05203026	20-12-2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Mumbai  
Date: May 14, 2021

**Tushar Shridharani**  
FCS 2690 / COP 2190  
UDIN –F002690B000301527



# Independent Auditor's Report on the Audit of the Consolidated Financial Statements

To

The Members of **DATAMATICS GLOBAL SERVICES LIMITED**  
**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of DATAMATICS GLOBAL SERVICES LIMITED ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2021, their consolidated profit, the consolidated other comprehensive

income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

## Basis for Opinion

We conducted our audit of the consolidated 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 Consolidated Financial Statements' section of our report. We are independent of the Group and its joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### Key Audit Matter

#### A. Revenue recognition in respect of fixed price contract

The Company inter alia engages in fixed price contracts, wherein revenue is recognized using the percentage of completion method based on the company's estimate of contract cost. We identified revenue recognition of fixed price contract as a Key Audit Matter since:

- accuracy and existence of revenues and onerous obligations, in respect of fixed price contracts, involves critical estimates.
- these estimates have high inherent uncertainty as it requires determination of the progress of the contract, costs incurred till date and future costs required to complete the remaining contract and performance obligations.
- estimate of costs is a critical estimate to determine the revenues and liability for a contract and these contracts may involve onerous obligations which require critical assessment of future costs.
- at the year-end significant amount of unbilled revenue is recognized on the balance sheet date.

### Auditor's Response

Our audit procedures included discussion with the management to obtain an understanding of the systems, processes and controls implemented by the Company for recording and computing the costs, revenue and other estimates associated with such contracts. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:

- we evaluated the design of internal controls relating to recording of costs incurred and estimate of costs required to complete the performance obligations.
- we tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of costs incurred.
- we selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimate of costs, through the inspection of performance of these controls.
- we selected a sample of contracts and performed a retrospective review of costs incurred with estimate of costs to identify significant variations and verify whether those variations have been considered in estimating the future costs required to complete the contract.
- we reviewed a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which

Key Audit Matter	Auditor's Response
<p><b>B. Carrying Value of Goodwill</b></p> <p>The Group has goodwill of Rs. 724.50 million in respect of some of its Cash Generating Units. The Group is required to annually test the amount of goodwill for impairment. This annual impairment testing was significant to our audit because the balance of Rs. 724.50 million as of March 31, 2021 is material to the financial statements. The determination of recoverable amount requires judgment on the part of the management with respect to future revenue, estimated profit, discount rate and hence the assessment process is highly subjective and is based on assumptions.</p>	<p>require change in estimated costs to complete the remaining performance obligations.</p> <ul style="list-style-type: none"> <li>we performed analytical procedures and test of details for reasonableness of incurred and estimated costs.</li> </ul> <p>We evaluated the appropriateness of management identification of Cash Generating Units and the continued satisfactory operation of the Holding Company's internal controls over the whole process. Our procedures included discussion with the management of the Holding Company on the suitability of the impairment model and reasonableness of the assumptions. Our review included the below:</p> <ul style="list-style-type: none"> <li>Benchmarking the Holding Company's key assumptions with industry comparables, the assumptions made in the prior years and also comparing the margin and revenue trend with the actual results relating to previous forecasts.</li> <li>We reviewed the Holding Company's management's impairment assessment and reviewed the calculation methodology and sources for key assumptions.</li> <li>We reviewed the key assumptions, being the cash flows, growth assumptions and discount rates.</li> <li>We performed sensitivity analysis over significant assumptions used in the models to ascertain the point at which impairment would be triggered and considered the likelihood of such a change.</li> <li>We reviewed the disclosure in the consolidated financial statements in respect of the Holding Company's management's impairment testing to confirm that these are consistent with the conclusions of our audit work and meet the disclosure requirements of the relevant accounting standards.</li> </ul>

#### Other Information

The Holding 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 consolidated financial statements and our Auditors' Report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements if the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture is traced from their financial statements audited by the other auditors. 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 Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective company's management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the





management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective management and Board of Directors of the companies included in the Group and its joint venture are responsible for assessing the ability of the Group and its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective management and Board of Directors of the companies included in the Group and its joint venture are responsible for overseeing the financial reporting process of the Group and its joint venture.

#### **Auditor's Responsibility for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

- (a) We did not audit the financial statements / financial information of nine subsidiaries (including four step down subsidiaries), and one joint venture, whose financial statements / financial information reflect unconsolidated total assets of Rs. 6,869.85 million as at March 31, 2021, unconsolidated total revenues of Rs. 8,024.18 million, unconsolidated net profit after tax of Rs. 466.07 million, unconsolidated total comprehensive income of Rs. 422.94 million and unconsolidated net cash outflows amounting to Rs. 145.57 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements, in respect of a joint venture include the Group's share of net profit of Rs. 4.29 million and total comprehensive income of Rs. 4.36 million, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose

reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

- (b) We did not audit the financial statements / financial information of thirteen subsidiaries (including twelve step down subsidiaries), whose financial statements / financial information reflect unconsolidated total assets of Rs. 71.28 million as at March 31, 2021, unconsolidated total revenues of Rs. 1,640.66 million, unconsolidated net profit after tax of Rs. 109.45 million, unconsolidated total comprehensive income of Rs. 116.09 million and unconsolidated net cash outflows amounting to Rs. 340.97 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the management of the Holding Company, these unaudited financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the unaudited financial statements / financial information certified by the management of the Holding Company.

#### Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements / information of subsidiaries, unaudited financial statements / financial information referred to in the paragraph on 'Other Matters' section above, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements / information of the subsidiaries and its joint venture, the financial statements / information certified by the Management in the case of some subsidiaries, as noted in the paragraph on 'Other Matters':
- The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Note No. 48 to the consolidated financial statements;
  - The Group and its joint venture did not have any material foreseeable losses on long term contracts including derivatives contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, and its joint venture incorporated in India.
- h) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company, subsidiary companies and its joint venture incorporated in India, wherever applicable, to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company, subsidiary companies and its joint venture incorporated in India 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

#### Ashishkumar Bairagra

Partner  
Membership No. 109931  
UDIN: 21109931AAAABV3569

Place: Mumbai  
Date: May 26, 2021



# Annexure A

to the Independent Auditors Report dated May 26, 2021

Sr. No.	Name	Subsidiary / Step down Subsidiary / Joint Venture
1	Datamatics Global Services Inc	Subsidiary
2	Datamatics Infotech Limited	Subsidiary
3	Datamatics Global Services Pty Limited	Subsidiary
4	Datamatics Global Technologies Limited	Subsidiary
5	Datamatics Global Technologies AG	Subsidiary
6	Datamatics Global Services FZLLC	Subsidiary
7	Datamatics Global Services BV	Step down Subsidiary
8	Datamatics Global Services Corp	Step down Subsidiary
9	Datamatics Robotics Software Inc	Step down Subsidiary
10	Datamatics Robotics Software Limited	Step down Subsidiary
11	LD Publishing and eRetail Limited#	Subsidiary
12	Datamatics Staffing Services Limited	Subsidiary
13	RJ Globus Solutions Inc	Step down Subsidiary
14	RJ Globus Inc	Step down Subsidiary
15	RJ Globus Solutions Private Limited	Step down Subsidiary
16	Cignex Datamatics Corporation\$	Step down Subsidiary
17	Cignex Datamatics, Inc*	Step down Subsidiary
18	Cignex Datamatics Technologies Limited*	Step down Subsidiary
19	Cignex Datamatics Pte Limited*	Step down Subsidiary
20	Cignex Datamatics GmbH*	Step down Subsidiary
21	Cignex Datamatics UK Ltd*	Step down Subsidiary
22	Lumina Datamatics Limited	Subsidiary
23	Lumina Datamatics Inc	Step down Subsidiary
24	Lumina Datamatics GMBH	Step down Subsidiary
25	LDR eRetail Limited	Step down Subsidiary
26	Lumina Datamatics Assessment & Analytics, LLC	Step down Subsidiary
27	Cybercom Datamatics Information Solutions Limited	Joint Venture

# strike off w.e.f. March 22, 2021

\$ Liquidated w.e.f. August 17, 2020

\*ceased w.e.f. January 1, 2021

# 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 (f) of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the consolidated financial statements of the company for the year ended March 31, 2021.

#### Opinion

In conjunction with our audit of the consolidated financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial control over financial reporting of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, wherever applicable, as of that date.

In our opinion to the best of our knowledge and according to the opinion expressed in the report of other auditors, the Holding Company, its subsidiary companies and its joint venture incorporated in India, wherever applicable, in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal controls over financial reporting established by the respective companies, wherever applicable, 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 respective company's management and Board of Directors of Holding Company, its subsidiary companies and its joint venture incorporated in India, wherever applicable, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the respective companies, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and

testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the paragraph on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and its joint venture incorporated in India, wherever applicable.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated 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.

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 5 subsidiary companies and 1 joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and the information provided by the Management.

#### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN: 101484W/W100197

#### Ashishkumar Bairagra

Partner  
Membership No. 109931  
UDIN: 21109931AAAAABV3569

Place: Mumbai  
Date: May 26, 2021



# Consolidated Balance Sheet

as at March 31, 2021

		(₹ in millions)	
Particulars	Note	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	1,155.00	1,180.09
Capital work-in-progress	3	-	7.33
Goodwill	4	724.50	1,947.92
Other intangible assets	4	81.63	165.18
Right-to-use assets	4	173.27	172.85
Intangible assets under development	4	-	3.71
Financial assets			
i. Investments	5	106.02	108.14
ii. Loans	6	0.27	1.30
iii. Other financial assets	7	131.43	138.60
Deferred tax assets (Net)	8	153.88	50.31
Non-current tax assets (Net)	9	133.46	159.29
Other non-current assets	10	6.82	4.56
<b>Total non-current assets</b>		<b>2,666.28</b>	<b>3,939.28</b>
<b>Current assets</b>			
Financial assets			
i. Investments	11	1,459.25	254.95
ii. Trade receivables	12	1,835.01	2,724.51
iii. Cash and cash equivalents	13	990.95	1,948.17
iv. Bank balances other than (iii) above	14	134.31	39.07
v. Loans	15	4.65	10.97
vi. Other financial assets	16	1,593.86	770.13
Current tax assets (Net)	17	75.32	49.49
Other current assets	18	321.03	351.27
<b>Total current assets</b>		<b>6,414.38</b>	<b>6,148.56</b>
Asset held for sale		-	12.50
<b>Total Assets</b>		<b>9,080.66</b>	<b>10,100.34</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19(a)	294.75	294.75
Other equity	19(b)	6,864.64	6,564.18
<b>Equity attributable to owners of Datamatics Global Services Limited</b>		<b>7,159.39</b>	<b>6,858.93</b>
Non-controlling interests		(6.94)	220.15
<b>Total equity</b>		<b>7,152.45</b>	<b>7,079.08</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Lease Liabilities	20	105.00	109.44
ii. Other financial liabilities	21	5.74	52.25
Provisions	22	272.15	278.49
<b>Total non-current liabilities</b>		<b>382.89</b>	<b>440.18</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	23	-	964.64
ii. Trade payables	24		
Dues of Micro and small enterprises		7.88	5.63
Dues other than Micro and small enterprises		887.51	891.67
iii. Other financial liabilities	25	41.21	95.21
iv. Lease liabilities	26	95.68	109.11
Provisions	27	90.94	68.46
Current tax liabilities (Net)	28	27.59	15.22
Other current liabilities	29	394.51	431.14
<b>Total current liabilities</b>		<b>1,545.32</b>	<b>2,581.08</b>
<b>Total liabilities</b>		<b>1,928.21</b>	<b>3,021.26</b>
<b>Total Equity and Liabilities</b>		<b>9,080.66</b>	<b>10,100.34</b>

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Statement of Consolidated Profit and Loss

for the year ended March 31, 2021

(₹ in millions)			
Particulars	Note	March 31, 2021	March 31, 2020
Revenue from Operations	30	11,490.53	12,033.24
Other Income	31	107.53	205.10
<b>Total income</b>		<b>11,598.06</b>	<b>12,238.34</b>
<b>Expenses</b>			
Purchase of products and licenses	32	105.09	169.89
Employee Benefit Expenses	33	7,707.86	7,750.70
Finance Costs	34	32.44	46.26
Depreciation and Amortisation Expenses	35	394.81	369.97
Other Expenses	36	2,255.16	2,876.92
<b>Total expenses</b>		<b>10,495.36</b>	<b>11,213.74</b>
<b>Profit before exceptional items and tax</b>		<b>1,102.70</b>	<b>1,024.60</b>
Exceptional items	37	(13.43)	(157.72)
<b>Profit before share of net profits of investments accounted for using the equity method and tax</b>		<b>1,089.27</b>	<b>866.88</b>
Share of net profits of associates and joint ventures accounted for using the equity method		4.36	12.03
<b>Profit before tax</b>		<b>1,093.63</b>	<b>878.91</b>
Tax expense			
- Current tax	8(a)	313.10	245.79
- Deferred tax	8(a)	(59.58)	16.05
<b>Total tax expense</b>		<b>253.52</b>	<b>261.84</b>
<b>Profit for the year</b>		<b>840.11</b>	<b>617.07</b>
Share of Non controlling Interest in Profit for the year		42.65	(20.37)
<b>Profit for the year</b>		<b>797.46</b>	<b>637.44</b>

## Statement of Consolidated other comprehensive income (OCI) for the year ended March 31, 2021

(₹ in millions)			
Particulars	Note	March 31, 2021	March 31, 2020
Items that will be reclassified to profit or loss			
Cash flow Hedges		112.32	(192.05)
Foreign currency translation reserve movement		156.67	166.89
Tax relating to above		(28.27)	57.24
		<b>240.72</b>	<b>32.08</b>
Items that will not be reclassified to profit or loss			
Actuarial gains and losses		(6.93)	(49.59)
Changes in fair value of FVOCI instruments		9.30	(7.17)
Tax relating to above		0.95	11.14
		<b>3.32</b>	<b>(45.62)</b>
		<b>244.04</b>	<b>(13.54)</b>
Share of Non Controlling interest in Other Comprehensive income		15.68	(14.49)
<b>OCI for the year</b>		<b>228.36</b>	<b>0.95</b>
<b>Total comprehensive income for the year</b>		<b>1,025.82</b>	<b>638.39</b>
Earnings per Equity Share (of Rs. 5 each)			
- Basic (in Rs.)		13.53	10.81
- Diluted (in Rs.)		13.53	10.81

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer





# Statement of changes in equity

for the year ended March 31, 2021

A. Equity share capital												(₹ in millions)	
Particulars													
As at March 31, 2019												294.75	
Changes in equity share capital												-	
As at March 31, 2020												294.75	
Changes in equity share capital												-	
As at March 31, 2021												294.75	
B. Other equity												(₹ in millions)	
	Reserves and surplus					Other comprehensive income				Equity attributable to shareholders of the Company	Attributable to non-controlling interests	Total other equity	
	Securities premium	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve			
As at March 31, 2019	1,080.08	3,992.59	21.43	585.88	(62.07)	494.28	4.27	(22.91)	82.68	(71.42)	6,104.81	393.67	6,498.48
Profit for the year	-	637.44	-	-	-	-	-	-	-	-	637.44	(20.37)	617.07
Adjustment for IND AS 116	-	(55.03)	-	-	-	-	-	-	-	-	(55.03)	-	(55.03)
Non controlling interest	-	38.48	-	-	-	-	-	-	-	-	38.48	(38.48)	-
DDL Merger Impact	-	(82.89)	-	-	-	-	-	-	-	-	(82.89)	-	(82.89)
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	-	(114.67)	(114.67)
ESOP revocation	-	-	(10.72)	-	-	-	-	-	-	-	(10.72)	-	(10.72)
Other comprehensive income	-	-	-	-	-	-	(7.17)	(36.76)	(126.45)	171.33	0.95	-	0.95
Dividends paid (including taxes of Rs. 992 million )	-	(68.87)	-	-	-	-	-	-	-	-	(68.87)	-	(68.87)
As at March 31, 2020	1,080.08	4,461.72	10.71	585.88	(62.07)	494.28	(2.90)	(59.66)	(43.77)	9991	6,564.18	220.15	6,784.33
Profit for the year	-	797.46	-	-	-	-	-	-	-	-	797.46	42.65	840.11
Sale of subsidiary	-	(355.71)	-	-	-	-	-	-	-	(389.76)	(745.47)	(328.17)	(1,073.64)
Issue share on premium	4.04	-	-	-	-	-	-	-	-	-	4.04	-	4.04
Change in Non controlling interest	-	18.52	-	-	-	-	-	0.18	-	0.53	19.24	26.72	45.95
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	-	47.40	47.40
ESOP revocation	-	1.87	(10.71)	-	-	-	-	-	-	-	(8.85)	-	(8.85)
RSU Expenses	-	-	5.68	-	-	-	-	-	-	-	5.68	-	5.68
Other comprehensive income	-	-	-	-	-	-	8.52	(5.21)	79.44	145.60	228.35	(15.68)	212.67
As at March 31, 2021	1,084.12	4,923.87	5.68	585.88	(62.07)	494.28	5.62	(64.69)	35.67	(143.72)	6,864.64	(6.94)	6,857.70

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumart**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Consolidated Cash flow statement

for the year ended March 31, 2021

(₹ in millions)

	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before share of Net Profit of Joint Venture and Tax	1,089.27	866.88
<b>Adjustments for :</b>		
Depreciation and amortisation expense	275.32	263.91
Provision for doubtful debts, advances	70.29	45.47
Impairment of Goodwill and other assets	365.89	157.72
Sundry balance written off / (back) (net)	(9.69)	(10.12)
Loss/(Profit) on sale fixed assets (net)	(1.17)	(0.82)
Lease Rent Ind AS 116 impact	19.54	(20.39)
Interest expense	28.26	23.96
Unrealised gain on fair value of financial assets	(6.42)	11.66
Exchange gain on sale of investment	(121.54)	-
Exchange gain on buy back of shares	(194.43)	-
Profit on sale of investments	(21.04)	(26.63)
Loss/(Profit) on sale of subsidiary	(36.50)	4.85
Dividend income	(0.76)	(3.71)
Unrealised foreign exchange (gain) / loss	(80.83)	(24.03)
Interest income	(26.01)	(4.01)
<b>Operating profit before working capital changes</b>	<b>1,350.18</b>	<b>1,284.73</b>
<b>Adjustments for :</b>		
(Increase) / Decrease in trade receivables	545.09	(271.97)
(Increase) / Decrease in loans	1.59	(8.33)
(Increase)/ Decrease in other financial and non-financial assets	(806.03)	(215.77)
Increase/(Decrease) in trade payables	184.77	147.97
Increase/(Decrease) in other financial and non-financial liabilities	(1.74)	214.21
<b>Cash generated from operations</b>	<b>1,273.86</b>	<b>1,150.84</b>
Direct taxes paid (net)	(256.11)	(316.03)
<b>Net cash flow from operating activities (A)</b>	<b>1,017.75</b>	<b>834.81</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(164.18)	(210.14)
Sale of fixed assets	1.69	5.37
Payment towards acquisition of subsidiary / non controlling interest	(5.71)	(124.22)
Proceeds on disposal of subsidiaries	538.48	-
(Purchase)/Sale of investments (net)	(1,224.09)	216.95
Dividend received from others	0.76	3.71
Dividend received from joint venture	50.50	10.71
Interest received	9.60	1.12
<b>Net cash flow used in investing activities (B)</b>	<b>(792.95)</b>	<b>(96.50)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (Repayment) of short-term borrowings	(964.64)	605.86
Issue of Equity Shares by subsidiary	4.05	-
Dividend paid (including taxes)	-	(68.87)
Interest paid	(29.24)	(22.98)
<b>Net cash flow used in financing activities (C)</b>	<b>(989.83)</b>	<b>514.01</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>(765.03)</b>	<b>1,252.32</b>
Cash and cash equivalents at the beginning of the year	1,948.17	696.18
Less: Cash and cash equivalents of disposal on subsidiaries	(192.19)	(0.33)
<b>Net cash and cash equivalents at the end of the year (Refer Note No.13)</b>	<b>990.95</b>	<b>1,948.17</b>

- Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
- Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



# Notes forming part of the Consolidated Financial Statements

as at March 31, 2021

## Note 1: General Information

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Group was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Group converted itself from a Private Limited Group into a Public Limited Group and the name of the Group was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Group was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Group is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Group provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

## Note 2: Significant Accounting Policies

### a) Basis of Preparation of Financial Statements:

#### Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements were approved by the Group's Board of Directors and authorised for issue on May 26, 2021.

### b) Basis of Consolidation:

#### i) Subsidiaries

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2021 and as at March 31, 2020 are summarized below:

Name of the Subsidiary	2020 - 21		2019 - 20	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Inc	USA	100.00	USA	100.00
Datamatics Infotech Limited	UK	100.00	UK	100.00
Datamatics Global Services Pty. Limited	Australia	100.00	Australia	100.00
Datamatics Global Technologies Limited	Mauritius	100.00	Mauritius	100.00
Datamatics Global Technologies AG	Switzerland	100.00	Switzerland	100.00
Datamatics Global Services FZ LLC	U.A.E	100.00	U.A.E	100.00
Datamatics Global Services Corp	Philippines	100.00	Philippines	100.00
Datamatics Global Services B.V.^	Netherlands	100.00	Netherlands	100.00
LD Publishing & eRetail Limited*	India	-	India	100.00
Datamatics Digital Limited**	India	-	India	100.00
Techjini Inc**	USA	-	USA	100.00
Datamatics Staffing Services Limited	India	51.00	India	51.00
Datamatics Robotics Software Inc	USA	92.97	USA	100.00
Datamatics Robotics Software Limited	India	92.97	India	100.00
RJ Globus Solutions Inc	Philippines	100.00	Philippines	87.50
RJ Globus Inc	USA	100.00	USA	87.50
RJ Globus Solutions Private Limited#	India	100.00	India	87.50
Cignex Datamatics Corporation***	BVI	-	BVI	62.51
Cignex Datamatics Inc@	USA	-	USA	62.51
Cignex Datamatics Technologies Limited@	India	-	India	62.51
Cignex Datamatics Pte. Limited@	Singapore	-	Singapore	62.51
Duo Consulting, Inc.\$	USA	-	USA	41.26

# Notes forming part of the Consolidated Financial Statements

as at March 31, 2021

Name of the Subsidiary	2020 - 21		2019 - 20	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Lumina Datamtics Limited	India	100.00	India	98.00
LDR eRetail Limited	India	100.00	India	98.00
Lumina Datamatics Inc	USA	100.00	USA	98.00
Lumina Datamatics GmbH	Germany	100.00	Germany	98.00
Lumina Datamatics Assessment and Analytics, LLC	USA	65.00	USA	63.70

^ Incorporated during the previous year

\* Striked off w.e.f. March 22, 2021

\*\* Merged

\*\*\* Liquidated w.e.f. August 17, 2020

# Under process of striking off

\$ Sold on April 1, 2020

@ Divested w.e.f. January 1, 2021

The financial statements of the Parent Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

Non controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non controlling shareholders at the dates on which investments are made by the Parent Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

The Parent Group and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with GAAP prevalent in their respective countries of domicile.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of charge of depreciation on fixed assets and other insignificant items for which the accounting treatment is given on the basis of local laws applicable in the respective country, for which using uniform accounting policies for the purpose of consolidation is impracticable.

## ii) Joint ventures

Interests in joint ventures are accounted for using the Equity method, after initially being recognised at cost in the consolidated balance sheet.

Name of the Joint venture	2020 - 21		2019 - 20	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Cybercom Datamatics Information Solutions Limited	India	50.50	India	50.50

### Equity Method :

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## iii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- \* certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;
- \* defined benefit plans – plan assets measured at fair value.

## iv) Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

## c) Use of Estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

## d) Foreign currency translation

### i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

### ii) Transactions, balances and translation

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the

balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period. Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve. Exchange Difference arising on investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

## e) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue from the sale of distinct internally developed software and third party software is recognised upfront at the point in time when the software is delivered to the customer. In cases where implementation services rendered significantly modifies or customise the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

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.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Current income taxes

The current tax expense include income tax expense payable by the Group.

Current income taxes payable by overseas subsidiaries is computed in accordance with tax laws applicable in the jurisdiction in which the respective subsidiaries operates.

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in some tax jurisdictions.

## Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

## g) Leases

The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group 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 group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group are reasonably certain not to exercise that option. In assessing whether the Group are 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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. The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

## h) Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

## i) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

## j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## k) Investments and other financial assets

### i) Classification

The Group classifies its financial assets in the following measurement categories:

\* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

\* those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

## ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

\* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging

relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The Group subsequently measures all equity investments, at fair value (except investment in joint venture which is valued at cost less impairment losses, if any). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

## iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## iv) Derecognition of financial assets

A financial asset is derecognised only when

- \* The Group has transferred the rights to receive cash flows from the financial asset or
- \* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## v) Income recognition

### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

## l) Derivatives and hedging activities

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The Group does not use the forward contract for speculative purposes. The Group designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised through other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

## m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

## n) Property, Plant and Equipment

Property, Plant and Equipments are valued at cost, except for certain Property, Plant and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

### Depreciation methods, estimated useful lives and residual value

"Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

## o) Intangible assets

### i) Goodwill

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Goodwill on consolidation of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

### ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete fees acquired in a business combination are recognised at

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

## iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

## iv) Other Intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## v) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method as following:

Particulars	Useful Life
Patents, Trademarks, Copyrights	3 - 5 years
Customer contracts	3 years
Computer Software	3 years
Other intangible assets	3 years

## p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled

or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## r) Borrowing costs

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

## s) Provision, Contingent Liabilities and Contingent Assets

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.

## t) Employee benefits

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

In case of Parent Group and its Indian Subsidiaries; (i)

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liability towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

Foreign subsidiaries maintain a defined contribution retirement plan, which covers substantially all the employees of the foreign subsidiaries and qualifies as a deferred salary arrangement under laws of respective countries. The Group matches employees' contributions at the discretion of the Group.

## u) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## v) Earnings per share

In determining Earnings per Share, the Group considers the net profit attributable to Group's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

## w) Business Combinations

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of identifiable assets and liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at

historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholder's equity.

## x) Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 3 – Property, plant and equipment

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	Capital work-in-progress
(₹ in millions)										
<b>Gross block As at March 31, 2019</b>	302.85	270.30	183.95	203.21	251.70	200.77	173.54	26.70	1,613.02	9.78
Additions	-	-	8.74	41.72	37.01	41.47	13.16	7.52	149.62	9.46
Disposals / derecognised	-	-	(0.03)	(0.24)	(12.24)	(11.30)	(4.48)	(3.64)	(31.92)	(11.91)
Exchange differences	-	-	-	99.2	10.54	4.83	3.51	(0.75)	28.05	-
<b>As at March 31, 2020</b>	302.85	270.30	192.66	254.61	287.01	235.77	185.73	29.83	1,758.76	7.33
Additions	-	-	0.67	26.50	4.73	114.57	6.85	6.71	160.03	-
Disposals (due to divestment)	-	-	-	-	(14.77)	(13.17)	(24.67)	(0.54)	(53.14)	-
Disposals / derecognised	-	-	(0.57)	(5.36)	(0.62)	(0.94)	(0.10)	-	(7.60)	(7.33)
Transfer \Reclass	-	-	0.02	(6.61)	(180.60)	169.91	12.82	4.46	-	-
Exchange differences	-	-	-	1.89	(0.01)	24.60	1.99	(0.08)	28.39	-
<b>As at March 31, 2021</b>	302.85	270.30	192.78	271.02	95.75	530.74	182.62	40.38	1,886.45	-

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	Capital work-in-progress
(₹ in millions)										
<b>Accumulated depreciation As at March 31, 2019</b>	-	14.04	14.18	49.37	125.17	153.76	69.95	9.20	435.67	-
Depreciation charge during the year	-	4.61	3.85	10.16	57.75	40.28	25.86	3.73	146.24	-
Disposals / derecognised	-	-	(0.01)	(0.83)	(11.01)	(10.48)	(1.71)	(3.12)	(27.16)	-
Exchange differences	-	-	-	4.57	8.57	8.87	1.86	0.04	23.92	-
<b>As at March 31, 2020</b>	-	18.65	18.02	63.27	180.49	192.43	95.96	9.85	578.67	-
Depreciation charge during the year	-	4.61	4.04	29.69	5.11	108.62	18.16	3.22	173.45	-
Disposals (due to divestment)	-	-	-	-	(13.55)	(15.75)	(20.71)	(0.32)	(50.33)	-
Disposals / derecognised	-	-	-	(5.44)	(0.11)	(1.24)	(0.67)	-	(7.46)	-
Transfer	-	0.02	0.11	22.05	(112.52)	69.49	16.33	4.52	-	-
Exchange differences	-	-	-	0.51	(0.04)	36.52	0.16	(0.02)	37.13	-
<b>As at March 31, 2021</b>	-	23.28	22.17	110.08	59.38	390.07	109.23	17.25	731.47	-
<b>Net carrying amount as at March 31, 2021</b>	302.85	247.02	170.61	160.94	36.37	140.68	73.39	23.14	1,155.00	-
<b>Net carrying amount as at March 31, 2020</b>	302.85	251.65	174.64	191.34	106.52	43.34	89.77	19.98	1,180.09	7.33



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 4 - Intangible assets

Particulars	Computer Software	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total	Goodwill	(₹ in millions)	
									Intangible assets under development	Right to Use Assets
<b>Gross block</b>										
<b>As at March 31, 2019</b>	<b>385.23</b>	<b>29.66</b>	<b>8.35</b>	<b>1.42</b>	<b>58.08</b>	<b>6.02</b>	<b>488.75</b>	<b>2,146.00</b>	<b>3.20</b>	<b>-</b>
Additions	67.50	-	-	0.75	-	-	68.25	-	4.87	278.91
Impairment loss during the year	-	-	-	-	-	-	-	(157.72)	-	-
Disposals / derecognised (Refer Note No 42(iii))	(56.28)	-	-	-	-	-	(56.28)	(82.89)	-	-
Exchange differences	0.56	-	-	-	1.82	(0.09)	2.29	92.18	-	-
<b>As at March 31, 2020</b>	<b>397.01</b>	<b>29.66</b>	<b>8.35</b>	<b>2.17</b>	<b>59.90</b>	<b>5.93</b>	<b>503.02</b>	<b>1,997.57</b>	<b>3.71</b>	<b>278.91</b>
Additions	14.95	-	-	-	-	3.71	18.67	-	-	118.58
Impairment loss during the year	-	-	-	-	-	-	-	(365.89)	-	-
Disposals (due to divestment)	(2.18)	-	-	-	-	(0.08)	(2.26)	-	-	-
Disposals / derecognised	(40.85)	-	-	-	-	-	(40.85)	(865.49)	-	(44.82)
Transfers	-	-	-	-	-	-	-	-	(3.71)	-
Exchange differences	(2.55)	-	-	-	-	(5.43)	(7.97)	(19.72)	-	0.33
<b>As at March 31, 2021</b>	<b>366.39</b>	<b>29.66</b>	<b>8.35</b>	<b>2.17</b>	<b>59.90</b>	<b>4.14</b>	<b>470.61</b>	<b>746.47</b>	<b>-</b>	<b>353.01</b>

Particulars	Computer Software	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total	Goodwill	(₹ in millions)	
									Intangible assets under development	Right to Use Assets
<b>Accumulated amortisation and impairment</b>										
<b>As at March 31, 2019</b>	<b>196.80</b>	<b>22.13</b>	<b>6.13</b>	<b>0.21</b>	<b>41.42</b>	<b>3.42</b>	<b>270.11</b>	<b>21.75</b>	<b>-</b>	<b>-</b>
Amortisation charge during the year	94.88	6.72	1.88	0.75	13.33	0.12	117.67	-	-	106.06
Disposals / derecognised	(56.28)	-	-	-	-	-	(56.28)	-	-	-
Exchange differences	2.83	-	-	-	1.83	1.68	6.34	27.90	-	-
<b>As at March 31, 2020</b>	<b>238.23</b>	<b>28.85</b>	<b>8.01</b>	<b>0.96</b>	<b>56.57</b>	<b>5.22</b>	<b>337.84</b>	<b>49.65</b>	<b>-</b>	<b>106.06</b>
Amortisation charge during the year	77.13	0.81	0.33	0.76	3.33	19.50	101.87	-	-	119.49
Disposals (due to divestment)	(2.02)	-	-	-	-	(0.08)	(2.09)	-	-	-
Disposals / derecognised	(40.85)	-	-	-	-	-	(40.85)	-	-	(46.08)
Exchange differences	(2.45)	-	-	-	-	(5.35)	(7.79)	(27.69)	-	0.26
<b>As at March 31, 2021</b>	<b>270.05</b>	<b>29.65</b>	<b>8.35</b>	<b>1.71</b>	<b>59.90</b>	<b>19.30</b>	<b>388.98</b>	<b>21.96</b>	<b>-</b>	<b>179.74</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>96.34</b>	<b>0.01</b>	<b>0.00</b>	<b>0.45</b>	<b>(0.00)</b>	<b>(15.16)</b>	<b>81.63</b>	<b>724.50</b>	<b>-</b>	<b>173.27</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>158.78</b>	<b>0.81</b>	<b>0.34</b>	<b>1.21</b>	<b>3.33</b>	<b>0.71</b>	<b>165.18</b>	<b>1,947.92</b>	<b>3.71</b>	<b>172.85</b>





# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 5 - Non-current investments

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (FVOCI)</b>		
18,234 (P.Y. 18,234) fully paid Equity Shares of Rs. 2 each of Wipro Limited	7.55	3.58
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 1 each of Vikas WSP Limited	0.03	0.02
800 (P.Y. 800) fully paid Equity Shares of Rs. 5 each of Mahindra and Mahindra Limited	0.64	0.23
8,998 (P.Y. 8,998) fully paid Equity Shares of Rs. 10 each of Coal India Limited	1.17	1.26
38,767 (P.Y. 38,767) fully paid Equity Shares of Rs. 10 each of Powergrid Corporation	8.36	6.16
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 2 each of Axis Bank Limited	3.49	1.90
1,800 (P.Y. 1,800) fully paid Equity Shares of Rs. 2 each of Larsen and Toubro Limited	2.55	1.45
Nil (P.Y. 900) fully paid Equity Shares of Rs. 10 each of Cybertech Limited	-	0.03
35,200 (P.Y. 35,200) fully paid Equity Shares of Rs. 10 each of Global Offshore Services Limited	0.22	0.09
11,000 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Indian Bank Limited	1.28	-
3,000 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of SBI Bank	1.09	-
130 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of HDFC Bank Limited	0.19	-
5,716 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of SBI Card and Payment Services Limited	5.31	-
2,392 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Tata Communications Limited	2.54	-
6,192 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Crompton Greaves Consumer Electrical Limited	2.43	-
958 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Endurance Technologies Limited	1.39	-
25,057 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of IDFC Limited	1.19	-
179 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Schaeffler India Limited	0.97	-
3,531 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Birlasoft Limited	0.89	-
810 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of SBI Life Insurance Company Limited	0.71	-
6,826 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Equitas Holdings Limited	0.60	-
603 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Max Financial Services Limited	0.52	-
2,404 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of City Union Bank Limited	0.37	-
1,056 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Sterlite Technologies Limited	0.21	-
56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation	0.80	0.83
<b>Investment in debentures - Quoted (at amortised cost)</b>		
130 (P.Y. Nil) Units of Rs. 100,000 each of 9.2% Non Convertible Redeemable Debentures of Edelweiss Finance and Investments Limited	15.05	-
<b>Investment in equity instruments (fully paid-up)</b>		
<b>In Joint venture - Unquoted (at cost)</b>		
428,400 (P.Y. 428,400) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of Rs. 10 each	31.44	77.58
<b>In Others (FVOCI)</b>		
4,657 (P.Y. 4,657) fully paid equity shares of HandyTraining Technologies Private Limited of Rs. 10 each	15.00	15.00
<b>Total</b>	<b>106.02</b>	<b>108.14</b>
Aggregate amount of quoted investments	44.52	15.56
Aggregate amount of unquoted investments	61.50	92.58
Aggregate market value of quoted investments	44.52	15.56

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 6 - Non-current Loans

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to employees	0.27	0.55
Loan to Others	-	0.75
Total	0.27	1.30

## Note 7 - Other non-current financial assets

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
Security deposits	126.57	141.61
Less: Provision for doubtful deposits	9.17	6.17
Net security deposits	117.40	135.44
Fixed deposits	-	0.44
Fair value of outstanding forward contracts (FVOCI)	14.03	2.72
Total	131.43	138.60

## Note 8 - Deferred Tax Assets (Net)

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
Deferred Tax Assets	153.88	50.31
Total	153.88	50.31

## 8(a) - Income tax expense

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
<b>Current tax</b>		
Current tax on profits for the year	302.32	240.16
Adjustments for current tax of prior periods	10.78	5.63
<b>Total current tax expense</b>	<b>313.10</b>	<b>245.79</b>
<b>Deferred tax</b>		
Decrease/(increase) in deferred tax assets	(60.68)	14.66
Adjustments for deferred tax of prior periods	1.10	1.39
<b>Total deferred tax expense/(benefit)</b>	<b>(59.58)</b>	<b>16.05</b>
<b>Income tax expense</b>	<b>253.52</b>	<b>261.84</b>



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## 8(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Profit for the year	1,093.62	878.91
<b>Tax expense at applicable tax rate</b>	<b>295.76</b>	<b>205.92</b>
Effects of:		
Items not deductible for tax	1.92	14.51
Tax holiday and Exempt income	(40.01)	(17.35)
Impairment of goodwill and other assets	-	33.12
Recognition of unutilized tax benefits / Unrecognized losses utilized	5.90	(8.68)
Change in tax base	(10.65)	(10.44)
Undistributed Earnings	(13.43)	(17.66)
Income taxed at higher / (lower) rates	(11.56)	(1.58)
Change in tax rate and law	-	26.07
Adjustments for tax of prior periods	11.87	7.02
Others, net	13.72	30.91
<b>Income tax expense</b>	<b>253.52</b>	<b>261.84</b>

## 8(c) - Deferred tax assets

The balance comprises temporary differences attributable to:

(₹ in millions)

Particulars	March 31, 2020	Recognized in Income statement	Recognized in OCI	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2021
<b>Deferred Tax Assets</b>					
Employee Benefits	84.07	15.88	1.73	(16.62)	85.06
Provision for doubtful debts	44.06	(14.08)	-	-	29.98
Investment In Subsidiaries	(19.12)	-	-	19.12	-
MAT Credit	0.49	-	-	(0.49)	-
Net Operating Losses	21.43	36.36	-	(1.87)	55.92
Others	23.23	(22.04)	-	(0.06)	1.13
<b>Total Deferred Tax Assets</b>	<b>154.16</b>	<b>16.12</b>	<b>1.73</b>	<b>0.08</b>	<b>172.09</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	34.70	(41.52)	-	2.11	(4.71)
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	0.78	0.83	0.77	(0.03)	2.35
Cash Flow Hedging	(19.14)	-	28.28	0.78	9.91
Undistributed Earnings	87.51	(13.43)	-	(74.08)	-
Others	-	10.66	-	-	10.66
<b>Total Deferred Tax Liabilities</b>	<b>103.85</b>	<b>(43.46)</b>	<b>29.05</b>	<b>(71.22)</b>	<b>18.21</b>
<b>Net Deferred Tax</b>	<b>50.31</b>	<b>59.58</b>	<b>(27.32)</b>	<b>71.30</b>	<b>153.88</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## 8(c) - Deferred tax assets

The balance comprises temporary differences attributable to:

(₹ in millions)

Particulars	March 31, 2020	Recognized in Income statement	Recognized in OCI	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2021
<b>Deferred Tax Assets</b>					
Employee Benefits	87.68	(13.80)	10.77	(0.58)	84.07
Provision for doubtful debts	71.84	(25.77)	-	(2.01)	44.06
Investment In Subsidiaries	2.05	(2.05)	-	(19.12)	(19.12)
MAT Credit	6.35	(4.88)	-	(0.98)	0.49
Net Operating Losses	10.62	11.17	-	(0.36)	21.43
Others	20.66	0.69	-	1.88	23.23
<b>Total Deferred Tax Assets</b>	<b>199.20</b>	<b>(34.64)</b>	<b>10.77</b>	<b>(21.17)</b>	<b>154.16</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	30.66	3.80	-	0.24	34.70
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	5.77	(4.72)	(0.37)	0.10	0.78
Cash Flow Hedging	39.41	-	(57.24)	(1.31)	(19.14)
Undistributed Earnings	98.43	(17.67)	-	6.74	87.51
Others	0.02	-	-	(0.02)	-
<b>Total Deferred Tax Liabilities</b>	<b>174.29</b>	<b>(18.59)</b>	<b>(57.61)</b>	<b>5.75</b>	<b>103.85</b>
<b>Net Deferred Tax</b>	<b>24.91</b>	<b>(16.05)</b>	<b>68.38</b>	<b>(26.92)</b>	<b>50.31</b>

Note:

The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, Equity, MAT credit creation/utilisation during the period and foreign currency translation.

## Note 9 - Non-current tax assets (Net)

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Advance Tax & TDS (net of provision)	133.46	159.29
<b>Total</b>	<b>133.46</b>	<b>159.29</b>

## Note 10 - Other non-current assets

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Capital advances	0.10	0.14
Other advances -		
Prepaid expenses	6.25	3.95
Balance with govt authorities	0.05	0.05
Other assets	0.43	0.42
<b>Total</b>	<b>6.82</b>	<b>4.56</b>



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 11 – Current investments

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
<b>Investment in mutual funds</b>		
<b>Quoted (at FVTPL)</b>		
5,815 (P.Y. Nil) units of Kotak Money Market Fund	20.16	-
6,880 (P.Y. Nil) units of Kotak Corporate Bond Fund Growth	19.96	-
19,44,995 (P.Y. Nil) units of Nippon India Floating Rate Fund	70.00	-
8,17,663 (P.Y. Nil) units of Aditya Birla SL Liquid Fund - Growth	269.26	-
3,22,791 (P.Y. Nil) units of ABSL Saving Fund	136.45	-
74,21,214 (P.Y. Nil) units of ICICI Ultra Short Term Fund	160.05	-
14,95,360 (P.Y. Nil) units of ICICI Corporate Bond Fund DP Growth	35.15	-
3,09,635 (P.Y. Nil) units of ICICI Short Term Fund DP Growth	15.05	-
2,57,471 (P.Y. Nil) units of ICICI All Seasons Bond Fund DP Growth	7.53	-
2,73,042 (P.Y. Nil) units of IDFC Dynamic Bond Fund Growth	7.35	-
7,48,914 (P.Y. Nil) units of Axis Short Term Direct Plan Growth	19.02	-
2,51,041 (P.Y. Nil) units of Axis Short Term Regular Growth	6.00	-
1,89,229 (P.Y. Nil) units of ABSL Floating Rate Fund - Reg - Growth	50.30	-
1,09,049 (P.Y. Nil) units of ICICI Prudential Liquid Fund - Direct Plan - Growth	33.23	-
3,482 (P.Y. Nil) units of Kotak Liquid - Direct Plan - Growth	14.48	-
35,251 (P.Y. Nil) units of ICICI Money Market Fund	10.33	-
18,729 (P.Y. Nil) units of HDFC Money Market Fund	82.76	-
27,368 (P.Y. Nil) units of HDFC Overnight Fund Regular Plan Growth	83.21	-
73,163 (P.Y. 11,411) units of Kotak Overnight Fund Growth Option	80.20	12.16
5,507 (22) units of HDFC Liquid Funds- Daily Dividend	5.62	0.02
79,218 (P.Y. 2,80,636) units of Aditya Birla SL Money Manager Fund -Growth	22.57	9.32
3,465 (P.Y. 3,846) Units of Nippon India Liquid Fund-Growth Plan - Growth Option	17.44	18.60
1,44,018 (P.Y. 1,44,018) Units of Nippon India Arbitrage Fund-Direct Growth Plan Growth Option	3.14	3.01
Nil (P.Y. 13,485) units of ICICI Prudential Liquid Fund - Growth	-	3.94
Nil (P.Y. 226) Units of Reliance Liquid fund - TP - Growth	-	1.09
Nil (P.Y. 88,285) Units of Franklin India Overnight Fund Growth	-	92.20
Nil (P.Y. 923,898) Units of HDFC Short Term Debt Fund - Growth	-	20.92
Nil ( P.Y. 844,824) units of Nippon India Overnight Fund - Dir - Growth	-	90.50
Nil (P.Y. 3) units of Motilal Oswal Home Finance Limited	-	3.18
<b>Investment in fixed deposits</b>		
<b>Unquoted (at Cost)</b>		
Corporate Fixed Deposits	290.00	-
<b>Total</b>	<b>1,459.25</b>	<b>254.95</b>
Aggregate amount of quoted investments	1,169.25	254.95
Aggregate amount of unquoted investments	290.00	-
Aggregate market value of quoted investments	1,169.25	254.95

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 12 – Trade receivable

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
<b>Unsecured</b>		
Considered Good (Refer Note No 39)	1,862.23	2,808.87
Less :- Allowance for expected credit loss	27.22	84.36
	1,835.01	2,724.51
<b>Credit impaired</b>		
Less :- Allowance for expected credit loss (Refer Note No 39)	133.73	120.96
	133.73	120.96
	-	-
<b>Total</b>	<b>1,835.01</b>	<b>2,724.51</b>

Trade receivable includes receivable from related parties (Refer Note No. 45).

## Note 13 – Cash and cash equivalents

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Balances with Bank		
-in current accounts	907.02	1,662.44
-in deposit accounts	80.00	278.60
Cash on hand	3.93	7.13
<b>Total</b>	<b>990.95</b>	<b>1,948.17</b>

## Note 14 – Other bank balance

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Margin money deposits*	37.79	37.20
Balances with bank in deposit accounts	95.00	0.10
Unpaid dividend account**	1.52	1.77
<b>Total</b>	<b>134.31</b>	<b>39.07</b>

\* Of the above Rs. 37.79 million ( As at March 31, 2020: Rs. 37.20 million) are marked as lien for guarantees issued by banks on behalf of the Company.

\*\* The Group can utilise balances only towards settlement of the unpaid dividend.

## Note 15 – Current loans

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)		
Others-		
Loan to employees	4.65	5.97
Loan to Others	-	5.00
<b>Total</b>	<b>4.65</b>	<b>10.97</b>





# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 16 – Other current financial assets

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Security deposits	5.04	14.56
Less: Provision for doubtful deposits – current	2.50	2.50
Net Security deposits	2.54	12.06
Advances to related parties	4.19	5.53
Others–		
Interest accrued	6.67	2.84
Fair Value of Outstanding Forward Contracts (FVOCI)	50.94	27.00
Unbilled Revenue	852.22	722.70
Other financial assets	677.30	–
<b>Total</b>	<b>1,593.86</b>	<b>770.13</b>

## Note 17 – Current tax assets (Net)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Advance Tax & TDS (net of provision)	75.32	49.49
<b>Total</b>	<b>75.32</b>	<b>49.49</b>

## Note 18 – Other current assets

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Advance to Vendors	37.39	60.91
Reimbursable Custom Duty	1.60	0.80
Advance to staff	6.70	21.92
Balance with govt authorities	124.68	111.35
Prepaid expenses	147.75	150.09
Other assets	2.90	6.19
<b>Total</b>	<b>321.03</b>	<b>351.27</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 19 – Share capital and other equity

### 19(a) Equity share capital

#### (i) Authorised share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2019	10,40,00,000	520.00
Increase during the year*	1,200,000	6.00
As at March 31, 2020	105,200,000	526.00
Increase during the year	-	-
As at March 31, 2021	105,200,000	526.00

\*Pursuant to scheme of merger of the DDL with the company (Refer Note No. 42 (ii))

#### Authorised redeemable preference share capital of face value of ₹ 10/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2019	4,55,50,000	455.50
Increase during the year	-	-
As at March 31, 2020	4,55,50,000	455.50
Increase during the year	-	-
As at March 31, 2021	4,55,50,000	455.50

#### Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹ in millions)
As at March 31, 2019	5,89,49,337	294.75
Increase during the year	-	-
As at March 31, 2020	5,89,49,337	294.75
Increase during the year	-	-
As at March 31, 2021	5,89,49,337	294.75

#### (ii) Movements in equity share capital

Particulars	Number of shares	(₹ in millions)
As at March 31, 2019	5,89,49,337	294.75
Issued during the year	-	-
As at March 31, 2020	5,89,49,337	294.75
Issued during the year	-	-
As at March 31, 2021	5,89,49,337	294.75

#### (iii) Shares of the company held by holding company

Particulars	March 31, 2021	March 31, 2020
32,098,742 (32,098,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited	165.00	165.00

#### (iv) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2021		March 31, 2020	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	32,098,742	54.45%	32,098,742	54.45%
Lalit Surajmal Kanodia	47,88,265	8.12%	36,15,384	6.13%
Asha Lalit Kanodia	3,305,258	5.61%	3,305,258	5.61%

#### (v) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

19(b) Other equity		(₹ in millions)	
Particulars		March 31, 2021	March 31, 2020
Securities premium reserve	Refer Note (i) below	1,084.12	1,080.08
Retained earnings		4,923.87	4,461.72
ESOP reserve	Refer Note (ii) below	5.68	10.71
General reserve	Refer Note (iii) below	585.88	585.88
Capital reserve	Refer Note (iv) below	(62.07)	(62.07)
Capital redemption reserve	Refer Note (v) below	494.28	494.28
OCI -			
Equity investments	Refer Note (vi) below	5.62	(2.90)
Actuarial gains and losses		(64.69)	(59.66)
Cash flow hedging reserve	Refer Note (vii) below	35.67	(43.77)
Foreign currency translation reserve	Refer Note (viii) below	(143.72)	99.91
<b>Total</b>		<b>6,864.64</b>	<b>6,564.18</b>

## Nature of reserves

### (i) Securities Premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

### (ii) ESOP Reserve

ESOP reserve is created for issue of share capital under RSU plan.

### (iii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

### (iv) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company. Also Goodwill on common control transaction is adjusted against capital reserve.

### (v) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

### (vi) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

### (vii) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

### (viii) OCI - Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 20 - Lease liabilities (Non-current)

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
Lease liabilities	105.00	109.44
<b>Total</b>	<b>105.00</b>	<b>109.44</b>

## Note 21 - Other financial liabilities (Non-current)

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
Creditor for capital expenditure	0.61	0.53
Fair Value of outstanding forward contracts (FVOCI)	5.14	51.72
<b>Total</b>	<b>5.74</b>	<b>52.25</b>

## Note 22 - Provisions (Non-current)

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
Unfunded (Refer Note No. 51)		
Provisions for employee benefits		
Gratuity	188.39	196.53
Leave encashment	83.76	81.96
<b>Total</b>	<b>272.15</b>	<b>278.49</b>

## Note 23 - Current borrowings

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
(Secured)		
Working capital loan*	-	
From Banks	-	955.89
From Others	-	8.75
<b>Total</b>	<b>-</b>	<b>964.64</b>

\*Notes-

Working capital loans from Standard Chartered Bank, ICICI Bank, Silicon Valley Bank USA and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the company hence considered as current borrowings.

## Note 24 - Trade payables

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
Dues of Micro and small enterprises	7.88	5.63
Dues other than Micro and small enterprises	887.51	891.67
<b>Total</b>	<b>895.39</b>	<b>897.30</b>

Micro and Small enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
(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	-	0.01
(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*	-	-

\* The Group has not provided any interest on the amount outstanding beyond stipulated period in the previous year.

## Note 25 - Other financial liabilities (current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Fair Value of contingent consideration	-	22.17
Fair value of outstanding forward contracts (FVOCI)	18.38	48.87
Interest accrued but not due	-	0.98
Deposits received	14.55	14.84
Unclaimed dividend	1.52	1.77
Other payables	6.76	6.58
<b>Total</b>	<b>41.21</b>	<b>95.21</b>

## Note 26 - Lease liabilities (Current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Lease liabilities	95.68	109.11
<b>Total</b>	<b>95.68</b>	<b>109.11</b>

## Note 27 - Provisions (Current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Unfunded (Refer Note No. 51)		
Provisions for employee benefits		
Gratuity	34.39	24.91
Leave encashment	56.55	43.55
<b>Total</b>	<b>90.94</b>	<b>68.46</b>

## Note 28 - Current tax liabilities (net)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Provision for tax (net of advance tax)	27.59	15.22
<b>Total</b>	<b>27.59</b>	<b>15.22</b>

## Note 29 - Other current liabilities

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Statutory dues (net)	144.72	199.07
Advance from customers	181.47	87.99
Unearned revenue	68.32	144.08
<b>Total</b>	<b>394.51</b>	<b>431.14</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

<b>Note 30 - Revenue from operations</b>		(₹ in millions)
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Sale of Product	134.83	214.90
Sale of Services	11,355.70	11,818.34
<b>Total</b>	<b>11,490.53</b>	<b>12,033.24</b>

<b>Note 31 - Other income</b>		(₹ in millions)
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Interest from Bank	5.87	2.82
Interest on Income Tax	6.70	-
Interest Others	13.44	1.19
Dividend on share investment	0.76	3.71
Profit on sale of investments	21.04	26.63
Profit on sale of assets (Net)	1.17	0.82
Sundry balances written back	9.69	10.12
Unrealised gain on fair value of financial assets	6.42	(11.66)
Exchange gain (net)	21.04	152.63
Miscellaneous receipts	21.40	18.83
<b>Total</b>	<b>107.53</b>	<b>205.10</b>

<b>Note 32 - Purchase of products and licenses</b>		(₹ in millions)
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Purchase of IT Products and Licenses	105.09	169.89
<b>Total</b>	<b>105.09</b>	<b>169.89</b>

<b>Note 33 - Employee benefit expenses</b>		(₹ in millions)
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Basic Salary, Wages & Allowances	7,292.71	7,233.03
Contribution towards Provident & Other funds	298.56	291.40
Share based compensation (Refer Note No. 51)	(4.23)	-
Staff Welfare expenses	120.82	226.27
<b>Total</b>	<b>7,707.86</b>	<b>7,750.70</b>

<b>Note 34 - Finance costs</b>		(₹ in millions)
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Interest on loan from banks	25.62	20.26
Interest on lease liabilities	(1.58)	13.81
Interest on loan others	2.63	3.70
Other finance charges	5.76	8.49
<b>Total</b>	<b>32.44</b>	<b>46.26</b>

<b>Note 35 - Depreciation and Amortisation Expenses</b>		(₹ in millions)
<b>Particulars</b>	<b>March 31, 2021</b>	<b>March 31, 2020</b>
Depreciation on property plant and equipment	173.45	146.24
Depreciation on Leased Assets	119.49	106.06
Amortisation on intangible assets	101.87	117.67
<b>Total</b>	<b>394.81</b>	<b>369.97</b>





# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 36 - Other expenses

(₹ in millions)

Particulars		March 31, 2021	March 31, 2020
IT Infrastructure & Development Cost		167.58	109.50
Technical fees		494.32	631.56
Outsourcing cost		399.79	533.84
Vendor charges		42.73	45.61
Travelling expenses		57.76	314.19
Recruitment charges		42.01	61.65
Rent (Refer Note 46)		94.23	155.70
Electricity expenses		80.85	133.45
Communication charges		120.94	100.29
Rates & Taxes		23.03	35.50
Water charges		0.80	2.62
Legal & Professional expenses		176.47	196.22
Auditor's Remuneration (Refer Note 47)		11.10	11.50
Link Charges		40.48	45.50
Insurance		29.84	31.62
Vehicle expenses		2.63	27.58
Repairs & Maintenance expenses		90.28	95.09
Software Maintenance expenses		72.06	56.87
Hire charges		62.48	29.80
Printing & Stationery		20.13	32.66
Subscription expenses		30.07	38.29
Entertainment Expenses		3.21	6.84
Bank Charges		14.50	13.75
Board Sitting Fees		1.58	1.07
Loss on sale of subsidiary		-	4.85
Sales Promotion		51.47	49.87
Security Charges		29.45	31.04
Bad Debts Written off	89.87		74.80
Less: Provision for doubtful debts written back	(49.86)	40.01	(74.80)
Allowance for Doubtful Debts		27.28	45.47
Provision for doubtful deposit		3.00	-
CSR Expenditure		10.71	20.67
Miscellaneous expenses		14.37	14.29
<b>Total</b>		<b>2,255.16</b>	<b>2,876.92</b>

## Note 37 - Exceptional items

(₹ in millions)

Particulars		March 31, 2021	March 31, 2020
Profit on Sale of Investment	(1)	36.50	-
Impairment of goodwill and other assets	(2)	(365.89)	157.72
Exchange gain on sale of financial assets	(3)	315.96	-
<b>Total</b>		<b>(13.43)</b>	<b>157.72</b>

Note:

- The group recorded the profit of Rs. 36.50 million relating to sale of investments of Cignex Datamatics Corporation BVI, a subsidiary to third party.
- (a) The group performed the impairment assessment of Vista, a business segment of the group, and basis that goodwill amounting to Rs. 99.24 million was impaired.  
(b) As a result of change in market condition, Lumina Datamatics Inc performed an impairment assessment for assets forming part of investment in subsidiary i.e. Lumina Datamatics Analytics and Assessment Limited (LDAA) and Lumina Datamatics GmbH (LDgmbh). The recoverable amount of these assets were estimated to be lower than their carrying value and this resulted in an impairment of INR 88.95 million and INR 177.70 million in LDAA and LDgmbh respectively, during the year ended March 31, 2021.
- The group recorded the exchange gain of Rs. 121.54 million and INR 194.42 million relating to the redemption of preference share of Datamatics Global Technologies Limited, a subsidiary and buyback of shares of Lumina Datamatics Inc, a subsidiary.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 38: Fair value measurements

### Financial instruments by category

(₹ in millions)

	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	1,169.25	-	-	254.95	-	-
- Fixed Deposits	-	-	290.00	-	-	-
- Debentures	-	-	15.05	-	-	-
- Equity instruments	-	59.52	-	-	30.56	-
Trade receivables	-	-	1,835.01	-	-	2,724.51
Cash and cash equivalents	-	-	990.95	-	-	1,948.17
Bank balances other than Cash and cash equivalents	-	-	134.31	-	-	39.07
Security deposit	-	-	119.94	-	-	147.50
Fair value of outstanding forward contracts	-	64.97	-	-	29.72	-
Loan to Employees	-	-	4.92	-	-	6.52
Unbilled Revenue	-	-	852.22	-	-	722.70
Other receivables	-	-	688.16	-	-	14.58
<b>Total financial assets</b>	<b>1,169.25</b>	<b>124.49</b>	<b>4,930.57</b>	<b>254.95</b>	<b>60.28</b>	<b>5,603.04</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	964.64
Trade payables	-	-	895.39	-	-	897.30
Fair Value of Outstanding Forward Contracts	-	23.52	-	-	100.59	-
Fair Value of contingent consideration	-	-	-	22.17	-	-
Lease liabilities	-	-	200.68	-	-	218.55
Other payables	-	-	23.43	-	-	24.69
<b>Total financial liabilities</b>	<b>-</b>	<b>23.52</b>	<b>1,119.50</b>	<b>22.17</b>	<b>100.59</b>	<b>2,105.19</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 consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

(₹ in millions)

Financial assets and liabilities measured at fair value At March 31, 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	1,169.25	-	-	<b>1,169.25</b>
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	64.97	-	-	<b>64.97</b>
Equity instruments	44.52	-	15.00	<b>59.52</b>
<b>Total financial assets</b>	<b>1,278.74</b>	<b>-</b>	<b>15.00</b>	<b>1,293.74</b>
<b>Financial Liabilities</b>				
Fair value of outstanding forward contracts	23.52	-	-	<b>23.52</b>
<b>Total financial liabilities</b>	<b>23.52</b>	<b>-</b>	<b>-</b>	<b>23.52</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

(₹ in millions)

Financial assets and liabilities measured at fair value At March 31, 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	254.95	-	-	254.95
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	29.72	-	-	29.72
Equity instruments	15.56	-	15.00	30.56
<b>Total financial assets</b>	<b>300.23</b>	<b>-</b>	<b>15.00</b>	<b>315.23</b>
<b>Financial Liabilities</b>				
Fair value of outstanding forward contracts	100.59	-	-	100.59
Fair value of contingent consideration	-	-	22.17	-
<b>Total financial liabilities</b>	<b>100.59</b>	<b>-</b>	<b>22.17</b>	<b>122.76</b>

There are no transfers between levels 1 and 2 during the year.

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in millions)

Particulars	Amount
<b>Balance as on March 31, 2019</b>	<b>15.00</b>
Change in the value	-
<b>Balance as on March 31, 2020</b>	<b>15.00</b>
Change in the value	-
<b>Balance as on March 31, 2021</b>	<b>15.00</b>

## 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 39: Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis, Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Export Receivables	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

## A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

### Credit risk management

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of such trade receivables as shown in note 12 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	₹ In millions
<b>Loss allowance on 31 March 2019</b>	<b>256.71</b>
Changes in loss allowance	23.41
Bad debts written off	(74.80)
<b>Loss allowance on 31 March 2020</b>	<b>205.32</b>
Changes in loss allowance	5.49
Bad debts written off	(49.86)
<b>Loss allowance on 31 March 2021</b>	<b>160.95</b>

## B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

## C) Market risk

### i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2021 and March 31, 2020 are given below :

Particulars	Currency	(₹ in millions)			
		March 31, 2021		March 31, 2020	
		Foreign Currency	₹ In Millions	Foreign Currency	₹ in millions
Receivables	USD	9.53	697.12	9.51	719.05
	GBP	0.59	59.66	2.10	196.37
	EUR	0.61	52.67	0.85	70.50
	CHF	0.21	16.39	0.44	34.23
	AUD	0.06	3.26	0.58	26.94
	AED	0.02	0.34	0.06	1.33
	CAD	0.13	7.76	0.03	1.66
	SEK	0.04	0.34	0.05	0.41
Payables	USD	0.43	31.53	0.15	11.44
	EUR	0.05	4.62	-	-
	CHF	0.11	8.18	0.14	11.28
	GBP	0.13	12.75	0.00	0.02
	AUD	-	-	0.00	0.19
	SGD	0.00	0.04	0.00	0.04

## b) Sensitivity

The Group is mainly exposed to changes in USD, GBP, CHF, AUD and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and EUR exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
USD	33.28	35.38
GBP	2.35	9.82
EUR	2.40	3.53
CHF	0.41	1.15
AUD	0.16	1.34

\* Holding all other variables constant

## ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2021 and March 31, 2020, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

## a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Variable rate borrowings	-	477.14
Fixed rate borrowings	-	487.50
<b>Total borrowings</b>	<b>-</b>	<b>964.64</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2021			March 31, 2020		
	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans	Weighted average interest rate %	Balance (₹ In Millions)	% of total loans
Working Capital Demand Loan	-	-	-	4.38%	477.14	49.46%

## b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in millions)

	Impact on profit after tax	
	March 31, 2021	March 31, 2020
Interest rates – increase by 70 basis points (70 bps) *	-	(3.34)
Interest rates – decrease by 70 basis points (70 bps) *	-	3.34

\* Holding all other variables constant

## iii) Price risk

### a) Exposure

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are publicly traded.

## Note 40: Capital management

### Risk management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturities of non current borrowings.

(₹ in millions)

	March 31, 2021	March 31, 2020
Borrowings	-	964.64
Total equity	7,152.45	7,079.08
<b>Borrowing to equity ratio</b>	<b>-</b>	<b>0.14</b>



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 41: Segment information

### Description of segments and principal activities

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.

The Group organised itself into two business units, which form the operating segments for segment reporting.

The operating segments are :

- IT Services
- Business Process Management (BPM)

(₹ in millions)

Particulars	March 31, 2021			March 31, 2020		
	IT	BPM	Total	IT	BPM	Total
Revenue	5,873.34	5,617.19	11,490.53	7,071.14	4,962.10	12,033.24
Identifiable expenses	5,466.47	4,601.64	10,068.11	6,286.03	4,511.48	10,797.51
Segment results	406.87	1,015.55	1,422.42	785.11	450.62	1,235.73
unallocable expenses			427.25			416.23
Share in profit of JV			4.36			12.03
Exceptional Item			(13.43)			(157.72)
Other income			107.53			205.10
Profit before taxes			1,093.63			878.91
Tax expenses			253.52			261.84
Profit after tax			840.11			617.07

### Segment Assets and Liabilities

The assets and liabilities used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

### Geographic Segment

Revenue attributable to the location of the customers is as follows :

(₹ in millions)

Geographic Location	March 31, 2021	March 31, 2020
USA	6,623.77	6,945.30
Europe	1,858.40	1,912.15
Rest of World	3,008.35	3,175.79
<b>Total</b>	<b>11,490.53</b>	<b>12,033.24</b>

## Note 42: Business Combinations

- The Group has entered into a stock redemption agreement to dispose off the entire stake in one of the subsidiaries "Cignex Datamatics Inc" (Cignex). As a result, w.e.f. January 01, 2021, Group's control over Cignex and its subsidiaries has shifted and they have ceased to be a subsidiary and step down subsidiaries. The sales consideration was Rs. 1,145.13 million and the group recorded the profit of Rs. 36.50 million.
- Merger of Datamatics Digital Limited (DDL) with holding company.

The Company had acquired earlier stake in Datamatics Digital Limited (formerly known as Techjini Solutions Private Limited) ("DDL") in various tranches and owned 81.09% stake in DDL as on 1 April 2019. Thereafter, the Company had acquired the balance 18.91% stake on 14 May 2019, thereby making DDL a wholly owned subsidiary of the Company. Thereafter, vide Board Meeting dated 13 November 2019, the Company had approved the amalgamation of DDL with itself through a Scheme of Arrangement u/s 230-232 of the Companies Act, 2013 ("Scheme") with an Appointed Date of 1 June 2019.

Since DDL is a wholly owned subsidiary of the Company, no further shares would be required to be issued by the Company to the shareholders of DDL since the entire share capital of DDL is held by the Company. Further, since this Scheme provides for amalgamation of a wholly owned subsidiary with its 100% holding company, the requirement of obtaining a No Objection Letter from the stock exchanges and SEBI under SEBI Circular dated 10 March 2017 was also not applicable. However, for the purposes of

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

disclosure, the Company had filed a copy of the board resolution and draft Scheme with the stock exchanges.

Subsequent to the above, the Company had filed an application (C.A. (CAA) No. 3749 of 2019) with the National Company Law Tribunal, Mumbai Bench, ("NCLT") for seeking dispensation for convening meeting of shareholders and the creditors of the Company and DDL and also seeking directions to, inter alia, serve notices to various regulatory authorities viz., the concerned Income-tax Authority, the Regional Director, Western Region, Mumbai, the Registrar of Companies, Mumbai, the Official Liquidator, Mumbai (insofar as DDL is concerned) and SEBI and the stock exchanges (insofar as the Company is concerned). The NCLT was pleased to dispense with the meeting of the shareholders and the creditors of the Company and DDL and also direct the Company and DDL to, inter alia, serve notices as above, vide its order dated 20 February 2020.

DDL was partly acquired by DGSL from an unrelated party in FY 2018-19 and partly in FY 2019-20 such that DDL became a wholly owned subsidiary of DGSL on May 15, 2019 (i.e. prior to the Appointed Date, being 1 June 2019). In line with the earlier intention of DGSL, it was contemplated by DGSL to merge DDL with itself, immediately subsequent to the acquisition of 100% in DDL by DGSL. Therefore, the intermediate step of acquisition of shares along with the subsequent intention to merge DDL with DGSL is considered to be a single business combination. In the context of a composite arrangement of acquisition of shares of DDL from an unrelated party followed by a merger of DDL with DGSL, DGSL has applied "acquisition method" of accounting under Ind AS 103 to account for the said acquisition of DDL by DGSL so as to represent genuine substantive business combination of DDL (previous controlled by unrelated parties) with DGSL.

The NCLT has passed the order of DGSL-DDL merger vide order no. CP (CAA) 970/30-232/MB/2020 dated November 06, 2020. Hence the books of DDL has been merged with DGSL w.e.f. June 1, 2019. Following is the calculation of goodwill arising out of transaction.

The Group and DDL had complied with all the requisite filings as per directions of the National Company Law Tribunal, Mumbai Bench ("NCLT"). The NCLT had approved the merger of DDL with the Group vide order no. CP (CAA) 970/30-232/MB/2020 dated November 06, 2020. In view thereof, since the merger of DDL with DGSL was effective from June 01, 2019 i.e. the appointed date, the accounting effect of the merger was given during the current year w.e.f. the appointed date. Consequently, all relevant figures of the previous year ended March 31, 2020 pertaining to the consolidated financial statements have been restated.

		(₹ in millions)
		Amount
<b>Particulars</b>		
Property, Plant and Equipments (including Intangible Assets)		8.92
Investments		146.86
Cash and Bank Balance		9.47
Other financial assets		6.75
Loans and advances		18.95
Deferred tax assets		19.66
Other assets		87.90
Trade Payable		(8.80)
Other current liabilities		(4.42)
Provisions		(17.21)
Net Assets		268.08
Less: Investment in Datamatics Digital Limited		(555.11)
Goodwill as per merger		287.03
Goodwill as per Consolidation		369.91
Goodwill derecognised due to merger		82.89

- (iii) The group had record contingent consideration of ₹ 32.55 million with respect to its acquisition of RJ Globus Solutions Inc in earlier years. During the year the transaction was conducted and excess of contingent consideration over amount paid has been adjusted to Goodwill of ₹ 16.76 million as the same was debited at the time of accounting of contingent consideration.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 43: Interests in Joint Venture

### a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2021 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in millions)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2021	March 31, 2020
Cybercom Datamatics Information Solutions Limited	India	50.50%	Joint venture	Equity	31.44	77.58

### b) Summarised financial information for joint venture

(₹ in millions)

Summarised balance sheet	March 31, 2021	March 31, 2020
<b>Current assets</b>		
Cash and cash equivalents	2.09	8.02
Other assets	25.14	113.78
<b>Total current assets</b>	<b>27.23</b>	<b>121.80</b>
Property, Plant & equipment	37.66	38.55
Other assets	3.74	9.21
<b>Total non-current assets</b>	<b>41.40</b>	<b>47.76</b>
<b>Current liabilities</b>		
Financial liabilities	6.13	11.31
Other liabilities	0.23	0.50
<b>Total current liabilities</b>	<b>6.36</b>	<b>11.81</b>
<b>Non-current liabilities</b>		
Other liabilities	-	4.13
<b>Total non-current liabilities</b>	<b>-</b>	<b>4.13</b>
<b>Net assets</b>	<b>62.27</b>	<b>153.62</b>

### Reconciliation to carrying amounts

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Opening net assets	153.61	150.99
Profit for the year	8.49	28.45
Other comprehensive income	0.15	(0.25)
Dividends paid including tax	(100.00)	(25.57)
<b>Closing net assets</b>	<b>62.26</b>	<b>153.61</b>
Group's share in %	50.50%	50.50%
Group's share in INR	31.44	77.58
<b>Carrying amount</b>	<b>31.44</b>	<b>77.58</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Summarised statement of profit and loss

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Revenue	44.43	79.96
Other Income	5.92	6.13
Depreciation and amortisation	(1.03)	(1.89)
Finance costs	-	(0.01)
Other expenses	(40.82)	(51.70)
Income tax expense	(0.02)	(8.43)
<b>Profit for the year</b>	<b>8.49</b>	<b>24.07</b>
Other comprehensive income	0.15	(0.25)
Total comprehensive income	8.64	23.82
Less: Relating to earlier year	-	-
<b>Profit attributable</b>	<b>8.64</b>	<b>23.82</b>
Group's share in %	50.50%	50.50%
Group's share in INR	4.36	12.03

## Note 44: Earnings per Share

Particulars	March 31, 2021	March 31, 2020
(a) Net Profit after taxation attributable to equity shareholders (Rs. in Millions)	797.46	637.44
(b) Weighted average number of outstanding equity shares considered for Basic EPS	5,89,49,337	5,89,49,337
(c) Net Profit / (Loss) after taxation attributable to equity shareholders (Rs. in Millions) (Nominal value per share Rs. 5 each)	797.46	637.44
(d) Earnings per share		
Basic earning per share (in Rs.) (a/b)	13.53	10.81
Diluted earning per share (in Rs.) (d/b)	13.53	10.81

## Note 45: Related party transactions

- A As required under Ind AS 24 – "Related Party Disclosures", following are details of transactions during the year with the related parties of the Company and its subsidiaries as defined in Ind AS- 24.

The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

Transactions and balances with its own subsidiaries are eliminated on consolidation

<b>(i) (A) Joint Venture Company</b>	<b>(C) Relatives of Key Managerial Personnel and</b>
Cybercom Datamatics Information Solutions Limited	Enterprise owned by Key Managerial Personnel
	Mrs. Asha L. Kanodia
<b>(B) Key Managerial Personnel</b>	Mrs. Aneesha Dalmia
Dr. Lalit S. Kanodia, Chairman	Mrs. Priyadarshini Kanodia
Mr. Rahul L. Kanodia, Vice Chairman & CEO	Mrs. Anju S. Kanodia
Mr. Sameer L. Kanodia, Director	Datamatics Business Solutions Limited
Ms. Divya Kumart, Company Secretary	Datamatics Infotech Services Private Limited
Mr. Sandeep Mantri, Chief Financial Officer	
	<b>(D) Holding Company</b>
	Delta Infosolutions Private Limited

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

(ii)	Sr. No.	Particulars	Details of transactions with the related parties stated in (i) above :						₹ in millions)	
			(i) A		(i) B		(i) C		(i) D	
			2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
[A]	i	Transactions during the year								
		Revenue from operations	-	-	-	-	6.52	5.81	-	-
		Datamatics Business Solutions Limited	-	-	-	-	6.52	5.81	-	-
ii		Technical Fees	-	-	-	-	2.35	-	-	-
		Datamatics Business Solutions Limited	-	-	-	-	2.35	-	-	-
iii		Expenses incurred by related parties	1.00	0.33	-	-	0.01	0.01	-	-
		Cybercom Datamatics Information Solutions Limited	1.00	0.33	-	-	-	-	-	-
		Datamatics Business Solutions Limited	-	-	-	-	0.01	0.01	-	-
iv		Expenses incurred for related parties	1.56	0.54	-	-	-	-	-	-
		Cybercom Datamatics Information Solutions Limited	1.56	-	-	-	-	-	-	-
		Datamatics Infotech Services Private Limited	-	0.54	-	-	-	-	-	-
v		Legal and professional fees	-	-	-	-	0.23	0.43	-	-
		Datamatics Business Solutions Limited	-	-	-	-	0.23	0.43	-	-
vi		Managerial remuneration*	-	-	27.50	34.73	-	-	-	-
		Dr. Lalit S. Kanodia	-	-	906	10.65	-	-	-	-
		Mr. Rahul L. Kanodia	-	-	9.29	13.29	-	-	-	-
		Mr. Sameer L. Kanodia	-	-	9.14	10.79	-	-	-	-
vii		Salaries and allowances*	-	-	17.37	15.51	5.36	5.09	-	-
		Mrs. Priyadarshini R. Kanodia	-	-	-	-	3.41	3.30	-	-
		Mrs. Anju S. Kanodia	-	-	-	-	1.95	1.79	-	-
		Ms. Divya Kumat	-	-	9.40	8.32	-	-	-	-
viii		Mr. Sandeep Mantri	-	-	7.96	7.19	-	-	-	-
		Commission	-	-	10.96	9.91	0.27	0.25	-	-
		Dr. Lalit S. Kanodia	-	-	5.48	4.19	-	-	-	-
		Mr. Rahul L. Kanodia	-	-	5.48	4.19	-	-	-	-
		Mr. Sameer L. Kanodia	-	-	-	1.53	-	-	-	-
		Mrs. Asha L. Kanodia	-	-	-	-	0.27	0.25	-	-

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

Sr. No.	Particulars	(₹ in millions)			
		(i) A	(i) B	(i) C	(i) D
		2020-21	2020-21	2020-21	2019-20
ix	<b>Board sitting fees</b>	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	0.18	0.14
		-	-	0.18	0.14
x	<b>Dividend Paid</b>	-	-	-	31.81
	Dr. Lalit S. Kanodia	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-
	Delta Infosolutions Private Limited	-	-	-	31.81
xi	<b>Loans and advances refunded during the year</b>	1.51	-	-	-
	Cybercom Datamatics Information Solutions Limited	1.51	-	-	-
xii	<b>Loans and advances given during the year</b>	1.15	-	-	-
	Cybercom Datamatics Information Solutions Limited	1.15	-	-	-
	Datamatics Infotech Services Private Limited	-	-	-	0.60

Sr. No.	Particulars	(₹ in Millions)			
		(i) A	(i) B	(i) C	(i) D
		2020-21	2020-21	2020-21	2019-20
[B]	<b>Balance as on March 31</b>				
i	<b>Loans and advances receivable</b>	1.74	-	-	-
	Cybercom Datamatics Information Solutions Limited	1.74	-	0.60	-
	Datamatics Infotech Services Private Limited	-	-	-	-
ii	<b>Payables</b>	-	-	-	-
	Dr. Lalit S. Kanodia	-	10.96	0.44	-
	Mr. Rahul L. Kanodia	-	5.48	-	-
	Mr. Sameer L. Kanodia	-	5.48	-	-
	Mrs. Asha Kanodia	-	-	-	-
	Datamatics Business Solutions Limited	-	-	0.27	-
		-	-	0.17	-
iii	<b>Receivables</b>	0.44	-	1.84	-
	Datamatics Business Solutions Limited	-	-	1.84	-
	Cybercom Datamatics Information Solutions Limited	0.44	-	-	-

\* Above figures does not include gratuity, leave encashment, mediclaim and term life insurance as separate actuarial valuation/premium figure are not available.



# Notes forming part of the Consolidated Financial Statements (Contd.)

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## Note 46: Leases

### Operating leases

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 36. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Rental expense relating to operating leases

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Total rental expense relating to operating leases	94.23	155.70

## Note 47: Auditor's Remuneration

	(₹ in millions)	
Particulars	March 31, 2021	March 31, 2020
For services as auditors, including quarterly audits	9.55	10.50
For tax audit	0.36	0.40
For other services	1.19	0.60
<b>Total</b>	<b>11.10</b>	<b>11.50</b>

## Note 48: Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Contingent Liabilities to the extent not provided for:		
(a) Claims against the Group not acknowledged as debt:		
(i) Income Tax matters	17.74	17.74
(b) Details of guarantees outstanding as at:		
(i) Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture	-	48.00
(ii) Guarantees given by banks	469.90	447.72
(c) Capital and other commitments:		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	30.06	4.96
(ii) Estimated amount payable under business development agreement to business consultant (USD 0.26 million)	-	19.35

## Note 49: Forward contracts in foreign currencies

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	(₹ in millions)	
Particulars	March 31, 2021	March 31, 2020
Not later than one month	103.19	219.58
Later than one month and not later than three months	321.36	437.70
Later than three months and not later than one year	1,541.73	1,828.11
Later than one year	1,088.66	1,603.17
<b>Total</b>	<b>3,054.94</b>	<b>4,088.56</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at: (₹ in millions)

Foreign Currency	March 31, 2021			March 31, 2020		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)
U.S. Dollar	303	27.92	(64.88)	569	40.73	(93.94)
Sterling Pound	100	8.49	23.42	149	9.97	23.08
<b>Total</b>			<b>(41.46)</b>			<b>(70.86)</b>

Net loss on derivative instruments of Rs. 41.46 million (loss in Rs. 70.86 million March 2020) recognised in Hedging Reserve as of March 31, 2021, is expected to be reclassified to the Statement of Profit and Loss by December 31, 2022.

## Note 50: Revenue from contract with major customers

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2021 and March 31, 2020.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:

Particulars	March 31, 2021		March 31, 2020	
Balance at beginning of the year		176.04		44.13
Revenue recognised during the year		260.38		250.23
Invoices raised during the year		182.73		118.32
<b>Balance at the end of the year</b>		<b>253.68</b>		<b>176.04</b>

## Note 51: 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.

	March 31, 2021		March 31, 2020	
<b>I. Defined Contribution Plan</b>				
<b>Charge to the Statement of Profit and Loss based on contributions:</b>				
Employers contribution to provident fund		199.46		189.35
Employers contribution to other foreign defined contribution plans		83.79		80.33
Employers contribution to employees' state insurance		11.14		12.41
Employers contribution to labour welfare fund and others		0.27		0.28
Included in contribution to provident fund and other funds (Refer Note No.33)		<b>294.66</b>		<b>282.37</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## II. Defined benefit plan

### i) Movement in Present Value of Obligation

(₹ in millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Present Value of Obligation as at the beginning	194.56	163.44	88.53	90.15
Current service cost	28.73	28.87	60.67	34.81
Interest expense or cost	13.24	12.66	6.01	6.96
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	9.41	(0.17)	(31.58)	(0.03)
- change in financial assumptions	11.24	21.89	6.46	8.02
- experience variance (i.e. actual experience vs assumptions)	(14.00)	28.09	27.60	(12.08)
Past Service Cost	-	-	(17.77)	-
Benefits Paid	(20.22)	(40.50)	(25.45)	(25.04)
Acquisition adjustment	-	1.39	-	0.51
Present Value of Obligation as at the end	222.95	215.66	114.47	103.30

### ii) Expenses recognised in the income statement and other comprehensive income

(₹ in millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current service cost	28.73	28.87	47.27	34.81
Past service cost	-	-	(17.77)	-
Net interest cost on the net defined benefit liability	13.13	12.66	4.04	6.97
Actuarial (gains) / losses	-	-	(1.92)	(5.29)
Expenses recognised in Profit & Loss Account	41.85	41.53	31.62	36.49
Other Comprehensive Income -				
Actuarial (gains) / losses				
- Change in demographic assumptions	9.41	(0.17)	0.21	-
- Change in financial assumptions	11.24	21.89	4.19	-
- Experience variance	(14.00)	28.09	0.05	-
Expenses recognised in OCI	6.65	49.81	4.45	-

### iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount Rate (per annum)	5.35% - 6.83%	5.40% - 7.60%	5.40% - 7.60%	5.40% - 7.60%
Salary growth rate (per annum)	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%
Mortality Rate	IALM 12-14	IALM 12-14	IALM 12-14	IALM 12-14

### iv) Sensitivity Analysis

(₹ in millions)

Particulars	Gratuity			
	March 31, 2021		March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	162.51	144.40	141.79	126.81
Discount rate (- / + 1%)	-	-	93.60	71.55
Salary growth rate (- / + 0.5%)	144.13	162.70	126.62	141.93
Salary growth rate (- / + 1%)	-	-	71.37	93.25
Attrition rate (1 / + 25%)	154.31	151.47	176.66	175.58
Attrition rate (1 / + 50%)	-	-	40.11	38.77
Mortality rate (- / + 1%)	152.61	152.86	215.29	215.63

## Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

(₹ in millions)

Particulars	Leave encashment			
	March 31, 2021		March 31, 2020	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	78.92	65.44	113.28	94.92
Salary growth rate (- / + 1%)	65.20	79.06	94.67	113.43
Attrition rate (1 / + 50%)	66.44	74.61	70.31	76.26
Attrition rate (1 / + 25%)	-	-	28.96	29.80
Mortality rate (- / + 10%)	71.19	71.27	103.26	103.33

## v) Maturity profile of Defined Benefit obligation

(₹ in millions)

Expected Cash flow over the next (valued on undiscounted basis)	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1 Year	35.18	23.84	32.08	23.84
2 to 5 years	72.67	41.40	46.37	31.87
6 to 10 years	67.89	69.95	24.06	28.12
More than 10 years	329.08	457.48	121.95	147.82

## iii. LDL RSU PLAN 2016

The Limina Datamatics Limited ("subsidiary company") has granted "Restricted Stock Units" under "LDL RSU PLAN 2016". The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the subsidiary company including its step Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the subsidiary company shall be the primary requirement of the vesting. Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of Rs. 10 per all of the options 216,000 were surrendered.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

**Note 52: Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2021**

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Global Services Limited	53%	5,594.18	53%	563.09	49%	28.16	53%	591.25
<b>Subsidiaries</b>								
<b>Indian</b>								
Cignex Datamatics Technologies Limited	0%	-	3%	37.06	21%	12.08	4%	49.14
Lumina Datamatics Limited	26%	2,772.24	46%	495.91	83%	47.38	48%	543.29
Datamatics Robotics Software Limited	0%	(26.67)	-10%	(108.45)	-1%	(0.37)	-10%	(108.82)
LD Publishing & eRetail Limited	0%	-	0%	0.03	0%	-	0%	0.03
LDR eRetail Limited	0%	24.55	1%	6.50	0%	(0.06)	1%	6.44
Datamatics Staffing Services Limited	0%	8.28	0%	(3.24)	0%	0.18	0%	(3.06)
RJ Globus Solutions Private Limited	0%	0.09	0%	-	0%	-	0%	-
<b>Foreign</b>								
Datamatics Global Services Inc.	5%	508.29	-4%	(40.19)	-31%	(18.03)	-5%	(58.22)
Datamatics Robotics Software Inc.	0%	4.95	0%	0.81	0%	0.01	0%	0.82
Datamatics Infotech Limited	3%	358.04	8%	83.05	39%	22.11	9%	105.16
Datamatics Global Services Pty. Limited	0%	35.55	1%	14.41	7%	4.00	2%	18.41
Datamatics Global Technologies Limited	6%	637.14	8%	81.68	-65%	(37.36)	4%	44.31
Datamatics Global Technologies AG	0%	0.83	0%	0.19	0%	(0.02)	0%	0.17
Techjini Inc	0%	-	0%	-	0%	-	0%	-
RJ Globus Solutions Inc	0%	50.23	5%	50.57	-2%	(1.04)	4%	49.53
RJ Globus Inc	0%	0.66	0%	(0.03)	0%	(0.02)	0%	(0.05)
Cignex Datamatics Corporation	0%	-	0%	(0.08)	0%	-	0%	(0.08)
Cignex Datamatics Inc.	0%	-	9%	93.75	3%	1.74	8%	95.48
Cignex Datamatics Pte. Limited	0%	-	0%	0.54	0%	(0.01)	0%	0.53
Cignex Datamatics UK Limited	0%	-	0%	-	0%	-	0%	-
Cignex Datamatics GmbH	0%	-	0%	(0.54)	0%	0.02	0%	(0.52)
Datamatics Global Services FZ LLC	1%	138.27	1%	13.77	-8%	(4.50)	1%	9.27
Datamatics Global Services BV	0%	2.55	0%	0.57	0%	0.03	0%	0.61
Datamatics Global Services Corp.	0%	11.00	0%	0.59	0%	(0.06)	0%	0.52
Lumina Datamatics Inc.	5%	488.76	-18%	(193.99)	5%	2.67	-17%	(191.32)
Lumina Datamatics GmbH	0%	19.61	0%	0.62	0%	(0.01)	0%	0.61
Lumina Datamatics Assessment and Analytics, LLC	-1%	(98.43)	-3%	(28.98)	1%	0.40	-3%	(28.58)
<b>Total</b>	<b>100%</b>	<b>10,530.09</b>	<b>100%</b>	<b>1,067.65</b>	<b>100%</b>	<b>57.30</b>	<b>100%</b>	<b>1,124.95</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Adjustments arising out of consolidation		(3,370.70)		(231.91)		155.38		(76.52)
Share of Profit in Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		4.36		-		4.36
Non Controlling Interest								
Indian Subsidiaries								
Datamatics Staffing Services Limited		4.06		1.59		0.09		1.68
Datamatics Robotics Software Limited		(11.34)		0.95		0.00		0.96
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		-		10.14		-		10.14
Datamatics Robotics Software Inc.		0.35		(0.01)		(0.00)		(0.01)
RJ Globus Solutions Inc		-		(6.32)		(0.13)		(6.45)
Cignex Datamatics Corporation		-		(49.01)		15.72		(33.29)
<b>Total</b>		<b>(3,377.64)</b>		<b>(270.19)</b>		<b>171.06</b>		<b>(99.13)</b>
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		<b>7,152.45</b>		<b>797.46</b>		<b>228.36</b>		<b>1,025.82</b>





# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2020

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Global Services Limited	40%	5,002.93	54%	403.13	-90%	(93.47)	37%	309.66
<b>Subsidiaries</b>								
<b>Indian</b>								
Cignex Datamatics Technologies Limited	3%	376.03	8%	55.58	-26%	(26.99)	3%	28.59
Lumina Datamatics Limited	17%	2,136.97	6%	47.19	-57%	(59.20)	-1%	(12.01)
Datamatics Robotics Software Limited	0%	(52.55)	-7%	(54.22)	-1%	(0.80)	-7%	(55.02)
LD Publishing & eRetail Limited	0%	0.47	0%	-	0%	-	0%	-
LDR eRetail Limited	0%	18.06	0%	1.45	0%	(0.03)	0%	1.42
Datamatics Digital Limited	0%	-	1%	10.85	0%	(0.09)	1%	10.76
Datamatics Staffing Services Limited	0%	11.40	0%	0.80	0%	0.16	0%	0.96
RJ Globus Solutions Private Limited	0%	0.09	0%	(0.00)	-1%	(0.57)	0%	(0.57)
<b>Foreign</b>								
Datamatics Global Services Inc.	4%	538.92	-1%	(8.86)	44%	46.12	4%	37.26
Datamatics Robotics Software Inc.	0%	0.11	0%	0.37	0%	0.00	0%	0.37
Datamatics Infotech Limited	2%	252.88	11%	81.62	9%	9.78	11%	91.40
Datamatics Global Services Pty. Limited	0%	17.09	0%	1.24	-1%	(1.43)	0%	(0.19)
Datamatics Global Technologies Limited	9%	1,104.60	0%	0.05	90%	94.25	11%	94.30
Datamatics Global Technologies AG	0%	0.65	0%	0.03	0%	0.08	0%	0.11
Techjini Inc	0%	27.59	1%	5.56	4%	4.36	1%	9.92
RJ Globus Solutions Inc	0%	0.71	2%	13.05	25%	26.12	5%	39.17
RJ Globus Inc	0%	0.70	0%	(0.02)	0%	(0.09)	0%	(0.11)
Cignex Datamatics Corporation	-1%	(71.28)	0%	-	0%	-	0%	-
Cignex Datamatics Inc.	4%	473.30	20%	147.80	10%	10.90	19%	158.70
Cignex Datamatics Pte. Limited	0%	12.48	0%	1.13	0%	0.06	0%	1.19
Cignex Datamatics GmbH	0%	2.41	0%	0.23	0%	0.03	0%	0.26
Duo Consulting, Inc.	0%	39.74	0%	(1.75)	0%	0.15	0%	(1.60)
Datamatics Global Services FZ LLC	1%	128.95	0%	2.47	6%	6.48	1%	8.95
Datamatics Global Services BV	0%	1.94	0%	(0.13)	0%	0.08	0%	(0.05)
Datamatics Global Services Corp.	0%	25.23	0%	(0.87)	4%	4.40	0%	3.53
Lumina Datamatics Inc.	20%	2,528.12	6%	41.75	26%	27.32	8%	69.07
Lumina Datamatics GmbH	0%	18.41	0%	0.51	15%	15.35	2%	15.86
Lumina Datamatics Assessment and Analytics, LLC	0%	(5.25)	-1%	(8.03)	40%	41.28	4%	33.25
<b>Total</b>	<b>100%</b>	<b>12,590.70</b>	<b>100%</b>	<b>740.94</b>	<b>100%</b>	<b>104.25</b>	<b>100%</b>	<b>845.18</b>

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Adjustments arising out of consolidation		(5,731.78)		(135.89)		(88.81)		(224.70)
Share of Profit in Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		12.03		-		12.03
Non Controlling Interest								
Indian Subsidiaries								
Datamatics Staffing Services Limited		5.59		(0.39)		0.08		(0.31)
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		(25.05)		2.81		-		2.81
RJ Globus Solutions Inc		0.19		(1.63)		3.18		1.55
Cignex Datamatics Corporation		248.30		(34.81)		(17.75)		(52.56)
Duo Consulting, Inc.		(8.87)		54.38		-		54.38
<b>Total</b>		<b>(5,511.62)</b>		<b>(103.50)</b>		<b>(103.30)</b>		<b>(206.79)</b>
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		<b>7,079.08</b>		<b>637.44</b>		<b>0.95</b>		<b>638.39</b>



# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2021

## Note 53: Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## Note 54: Impact of COVID - 19 Pandemic

The group has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, unbilled revenues, goodwill, intangibles, investments and other assets / liabilities. Based on the current indicators of economic conditions, the group 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 consolidated financial statements and the group will continue to closely monitor any material changes to the economic conditions in the future.

## Note 55: Previous year's figures

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

### For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

To,

**The Members of DATAMATICS GLOBAL SERVICES LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2021, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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 standalone 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 Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone 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 standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
<b>A. Revenue recognition in respect of fixed price contract</b>  The Company inter alia engages in fixed price contracts, wherein revenue is recognized using the percentage of completion method based on the company's estimate of contract cost. We identified revenue recognition of fixed price contract as a Key Audit Matter since: <ul style="list-style-type: none"> <li>accuracy and existence of revenues and onerous obligations, in respect of fixed price contracts, involves critical estimates.</li> <li>these estimates have high inherent uncertainty as it requires determination of the progress of the contract, costs incurred till date and future costs required to complete the remaining contract and performance obligations.</li> <li>estimate of costs is a critical estimate to determine the revenues and liability for a contract and these contracts may involve onerous obligations which require critical assessment of future costs.</li> <li>at the year-end significant amount of unbilled revenue is recognized on the balance sheet date.</li> </ul>	Our audit procedures included discussion with the management to obtain an understanding of the systems, processes and controls implemented by the Company for recording and computing the costs, revenue and other estimates associated with such contracts. Our audit approach was a combination of test of internal controls and substantive procedures which included the following: <ul style="list-style-type: none"> <li>we evaluated the design of internal controls relating to recording of costs incurred and estimate of costs required to complete the performance obligations.</li> <li>we tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of costs incurred.</li> <li>we selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimate of costs, through the inspection of performance of these controls.</li> <li>we selected a sample of contracts and performed a retrospective review of costs incurred with estimate of costs to identify significant variations and verify whether those variations have been considered in estimating the future costs required to complete the contract.</li> </ul>



	<ul style="list-style-type: none"> <li>• we reviewed a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations.</li> <li>• we performed analytical procedures and test of details for reasonableness of incurred and estimated costs.</li> </ul>
<b>Key Audit Matter</b>	<b>Auditor's Response</b>
<b>B. Transactions with Related Parties</b>	
<p>The company has material related party transactions during the year. Related party transactions impose limitations on the auditor's ability to obtain audit evidence that all other aspects of related party transactions (other than price) are equivalent to those of a similar arm's length transaction. Further the nature and complexity of such transactions and the involvement of management with respect to the roles and responsibilities of the entities involved in the transactions, makes it subjective.</p>	<p>Our audit procedures on transactions with related parties included the following:</p> <ul style="list-style-type: none"> <li>• we obtained a comfort letter issued by the independent professional who is in charge of Transfer Pricing matters of the Company which states that the transactions are conducted at arm's length price.</li> <li>• we also reviewed the income tax assessments of earlier years to corroborate whether the methodology adopted by the Company has been accepted by the income tax authorities in previous years.</li> <li>• we also compared the pricing model and other terms of the current agreements with agreements of the previous years.</li> </ul>

### 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 standalone financial statements and our Auditors' Report thereon. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone 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 Standalone 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 standalone 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could

reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Emphasis of Matter

1. Attention is drawn to Note No. 42 to the standalone financial statements; the Company has an investment of Rs. 646.52 million in two wholly owned subsidiaries and has also extended loans and advances of Rs. 0.05 million to these subsidiaries as on March 31, 2021. The total net worth of these subsidiaries as on March 31, 2021 is Rs. 509.11 million which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future hence, no provision for diminution in the value of investment has been considered necessary by the management.

Our opinion is not modified in respect of this matter.

2. We draw attention to note 51 of the standalone financial statements, regarding the approval of Scheme of Amalgamation between the Company and its wholly owned subsidiary company, Datamatics Digital Limited, by the National Company Law Tribunal ("NCLT"), vide NCLT's order dated November 6, 2020, with appointed date of June 1, 2019. A certified copy of the order sanctioning the Scheme has been filed by the Company with the Registrar of the Companies, Mumbai, on December 7, 2020. Accordingly, the audited standalone financial statements for the year ended March 31, 2020, have been restated by the Company after recognising the effect of the merger from the appointed date as stated in the aforesaid note.

Our opinion is not modified in respect of this matter

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the 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 standalone financial statements have been kept by the Company so far as it appears from our examination of those books.

- (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No.

44 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

(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:

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

**Ashishkumar Bairagra**

Partner  
Membership No. 109931  
UDIN: 21109931AAAABU4097

Place: Mumbai  
Date: May 26, 2021

## ANNEXURE A

### TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the standalone financial statements of the company for the year ended March 31, 2021, we report the following:

- 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. In respect of immovable properties, taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are 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 given to us, the Company has not granted any secured loans to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of unsecured loans to companies covered in the Register maintained under Section 189 of the Companies Act, 2013, having regard to the Amendment agreements where entered into during the year:
  - (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
  - (b) There are no stipulations with respect to the repayment of the loan and the interest thereon.
  - (c) There is no overdue amount remaining outstanding as at the balance sheet date.
- 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, and therefore clause 3(v) of the order is not applicable.
- vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.
- vii. (a) 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, custom duty, excise duty, value added tax, cess, goods and services tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2021 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 sales tax, service tax, custom duty, excise duty, value added tax, cess and goods and services tax, which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of income tax are as under:

Name of the Statute	Nature of the dues	Financial Year to which it relates	Forum where the dispute is pending	₹ in millions
Income Tax Act, 1961	Income Tax dues	2011-12	Income Tax Appellate Tribunal	17.49

- 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 loans or borrowings 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 explanations provided 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 provided to us, 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 Act.
- xii. According to the information and explanations provided 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 explanations provided to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 177 and Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone 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.

- xvi. According to information and explanations provided to us, the Company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**

Partner  
Membership No. 109931  
UDIN: 21109931AAAABU4097

Place: Mumbai  
Date: May 26, 2021

# 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 standalone financial statements of the company for the year ended March 31, 2021.

#### Opinion

We have audited the internal financial controls over financial reporting of DATAMATICS GLOBAL SERVICES LIMITED ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone 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, 2021, 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 audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### For M L BHUWANIA AND CO LLP

Chartered Accountants  
FRN: 101484W/W100197

#### Ashishkumar Bairagra

Partner  
Membership No. 109931  
UDIN: 21109931AAAABU4097

Place: Mumbai  
Date: May 26, 2021



# Standalone Balance Sheet

as at March 31, 2021

		(₹ in millions)	
Particulars	Note	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	2	922.57	910.34
Capital work-in-progress	2	-	4.09
Goodwill	3	287.02	386.25
Other intangible assets	3	17.03	54.47
Right-to-use assets	3	34.67	12.92
Financial assets			
i. Investments	4	2,263.66	2,022.82
ii. Loans	5	0.27	0.55
iii. Other financial assets	6	55.38	66.93
Deferred tax assets (Net)	7	130.35	248.93
Non-current tax assets	8	92.56	138.04
Other non-current assets	9	5.99	4.00
<b>Total non-current assets</b>		<b>3,809.50</b>	<b>3,849.34</b>
<b>Current assets</b>			
Financial assets			
i. Investments	10	879.60	111.49
ii. Trade receivables	11	948.49	1,250.87
iii. Cash and cash equivalents	12	169.00	426.60
iv. Bank balances other than (iii) above	13	134.31	39.07
v. Loans	14	18.80	148.27
vi. Other financial assets	15	647.85	509.25
Current tax assets	16	75.32	48.26
Other current assets	17	102.00	99.97
<b>Total current assets</b>		<b>2,975.37</b>	<b>2,633.78</b>
<b>Total Assets</b>		<b>6,784.87</b>	<b>6,483.12</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	18(a)	294.75	294.75
Other equity	18(b)	5,299.43	4,708.19
<b>Total equity</b>		<b>5,594.18</b>	<b>5,002.94</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i. Lease Liabilities	19	15.67	-
ii. Other financial liabilities	20	5.74	33.80
Provisions	21	176.08	162.75
<b>Total non-current liabilities</b>		<b>197.49</b>	<b>196.55</b>
<b>Current liabilities</b>			
Financial liabilities			
i. Borrowings	22	-	487.50
ii. Trade payables	23		
Dues of Micro and small enterprises		7.88	5.62
Dues other than Micro and small enterprises		645.59	503.42
iii. Other financial liabilities	24	35.46	28.91
iv. Lease liabilities	25	19.78	15.66
Provisions	26	38.62	35.04
Other current liabilities	27	245.87	207.48
<b>Total current liabilities</b>		<b>993.20</b>	<b>1,283.63</b>
<b>Total liabilities</b>		<b>1,190.69</b>	<b>1,480.18</b>
<b>Total Equity and Liabilities</b>		<b>6,784.87</b>	<b>6,483.12</b>

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Standalone Statement of Profit and Loss

for the year ended March 31, 2021

(₹ in millions)			
Particulars	Note	March 31, 2021	March 31, 2020
Revenue from Operations	28	4,576.63	4,698.17
Other Income	29	108.60	155.78
<b>Total income</b>		<b>4,685.23</b>	<b>4,853.95</b>
<b>Expenses</b>			
Purchase of IT Products and Licenses	30	18.78	99.73
Employee Benefit Expenses	31	3,171.93	3,026.80
Finance Costs	32	29.29	24.35
Depreciation and Amortisation Expenses	33	132.46	133.02
Other Expenses	34	896.47	1,018.67
<b>Total expenses</b>		<b>4,248.93</b>	<b>4,302.57</b>
<b>Profit before exceptional items and tax</b>		<b>436.30</b>	<b>551.38</b>
Exceptional items	35	328.69	-
<b>Profit before tax</b>		<b>764.99</b>	<b>551.38</b>
Tax expense			
- Current tax	7(a)	90.68	106.24
- Deferred tax	7(a)	111.21	42.01
<b>Total tax expense</b>		<b>201.89</b>	<b>148.25</b>
<b>Profit for the year</b>		<b>563.10</b>	<b>403.13</b>

## Statement of other comprehensive income (OCI) for the year ended March 31, 2021

(₹ in millions)			
Particulars	Note	March 31, 2021	March 31, 2020
<b>Items that will be reclassified to profit or loss</b>			
Deferred gains/ losses on cash flow hedge		15.25	(87.12)
Tax relating to above		(3.84)	29.14
		<b>11.41</b>	<b>(57.98)</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains and losses		10.99	(36.88)
Changes in fair value of FVOCI instruments		9.30	(7.17)
Tax relating to above		(3.54)	8.56
		<b>16.75</b>	<b>(35.49)</b>
<b>OCI for the year</b>		<b>28.16</b>	<b>(93.47)</b>
<b>Total comprehensive income for the year</b>		<b>591.26</b>	<b>309.66</b>
<b>Earnings per Equity Share (of Rs. 5 each)</b>			
Basic and Diluted	43	9.55	6.84

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

### For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



# Statement of changes in equity

for the year ended March 31, 2021

A. Equity share capital									
Particulars									
As at March 31, 2019									
Changes in equity share capital									
As at March 31, 2020									
Changes in equity share capital									
As at March 31, 2021									
(INR in millions)									
294.75									
-									
294.75									
-									
294.75									

B. Other equity									
	Reserves and surplus					Other comprehensive income			Total other equity
	Securities premium	Retained earnings	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	
As at March 31, 2019	1,080.08	1,989.55	1,077.14	35.60	244.28	4.29	(8.11)	48.02	4,470.84
Profit for the year	-	403.13	-	-	-	-	-	-	403.13
Adjustment for IND AS 116	-	(3.45)	-	-	-	-	-	-	(3.45)
Other comprehensive income	-	-	-	-	-	(9.03)	(26.46)	(57.98)	(93.47)
Dividends paid (including taxes)	-	(68.87)	-	-	-	-	-	-	(68.87)
As at March 31, 2020	1,080.08	2,320.36	1,077.14	35.60	244.28	(4.74)	(34.58)	(9.96)	4,708.19
Profit for the year	-	563.09	-	-	-	-	-	-	563.09
Other comprehensive income	-	-	-	-	-	8.52	8.22	11.41	28.16
As at March 31, 2021	1,080.08	2,883.46	1,077.14	35.60	244.28	3.78	(26.35)	1.45	5,299.43

The accompanying notes forming an integral part of the standalone financial statements

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumart**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Standalone Cash flow statement

for the year ended March 31, 2021

	(₹ in millions)	
	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	764.99	551.38
<b>Adjustments for :</b>		
Depreciation and amortisation expense	108.22	111.46
Provision for doubtful debts	8.33	32.62
Provision for doubtful deposits	3.00	-
Impairment of Goodwill	99.24	-
Sundry balance written off / (back) (net)	(6.34)	2.55
Lease Rent Ind AS 116 impact	(1.97)	(1.88)
Unrealised foreign exchange (gain) / loss	4.33	(16.21)
(Profit) / loss on sale fixed assets (net)	(0.64)	(0.45)
Interest expense	22.15	17.82
Unrealised gain on fair value of financial assets	8.49	(8.80)
Realised gain on fair value of financial assets	(306.39)	-
Exchange gain on sale of investment	(121.54)	-
Profit on sale of investments	(16.03)	(16.84)
Dividend income	(51.17)	(13.98)
Interest income	(15.34)	(11.00)
<b>Operating profit before working capital changes</b>	<b>499.33</b>	<b>646.67</b>
<b>Adjustments for :</b>		
(Increase) / decrease in trade receivables	283.39	(255.20)
(Increase) / decrease in loans	0.45	(129.26)
(Increase) / decrease in other financial and non-financial assets	(245.76)	(66.55)
Increase / (decrease) in trade payables	160.38	100.64
Increase / (decrease) in other financial and non-financial liabilities	72.42	110.81
<b>Cash generated from operations</b>	<b>770.21</b>	<b>407.11</b>
Direct taxes paid (net)	(72.26)	(158.29)
<b>Net cash flow from operating activities (A)</b>	<b>697.95</b>	<b>248.82</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(78.94)	(71.17)
Sale of fixed assets	0.64	1.22
Investment in subsidiaries/ acquisition of subsidiary	(343.00)	(109.11)
Redemption of preference shares of subsidiaries	677.45	-
(Purchase) / Sale of investments (net)	(763.93)	115.95
Dividend received from others	0.67	3.27
Dividend received from joint venture	50.50	10.71
Interest received	11.40	1.52
<b>Net cash flow used in investing activities (B)</b>	<b>(445.21)</b>	<b>(47.61)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (Repayment) from / of short-term borrowings	(487.50)	225.00
Dividends paid (including taxes)	-	(68.87)
Interest paid	(22.84)	(17.13)
<b>Net cash flow used in financing activities (C)</b>	<b>(510.34)</b>	<b>139.00</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>(257.60)</b>	<b>340.21</b>
Cash and cash equivalents at the beginning of the year	426.60	65.33
Add: Datamatics Digital Limited opening balance	-	21.06
<b>Net cash and cash equivalents at the end of the year</b>	<b>169.00</b>	<b>426.60</b>

1. Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS 7) statement of cash flows.
2. Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

## For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 1: General Information

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Company was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Company converted itself from a Private Limited Company into a Public Limited Company and the name of the Company was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Company was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Company is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Company provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

## Note 2: Significant Accounting Policies

### a) Basis of Preparation of Financial Statements:

#### i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements were approved by the Company's Board of Directors and authorised for issue on May 26, 2021.

#### 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

#### iii) Measurement of fair values

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has established policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is

valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

### b) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

### c) Foreign currency translation

#### i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

#### ii) Transactions and balances

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in the Statement of Profit and Loss in the year in which it arises.

### d) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Company is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

Revenue from subsidiaries is recognised based on transaction price of services which is at arm's length.

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.

## e) Income tax

Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

### Current income taxes

The current tax expense include income tax expense payable by the company in India. Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in same tax jurisdictions.

### Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

## f) Leases

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.

## g) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

## h) Cash Flow Statement

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

## i) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

## j) Investments and other financial assets

### i) Classification

The company classifies its financial assets in the following

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

measurement categories:

- \* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- \* those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

## ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

### Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the company classifies its debt instruments:

- \* Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- \* Impairment of investment in subsidiary: The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently, when there is indication for impairment. If the recoverable amount is less than carrying amount, the impairment loss is accounted for.
- \* Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal

and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- \* Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

### Equity instruments

The company subsequently measures all equity investments at fair value (except investment in subsidiaries and joint venture which are at 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.

## iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## iv) Derecognition of financial assets

A financial asset is derecognised only when

- \* The company has transferred the rights to receive cash flows from the financial asset or
- \* retains the contractual rights to receive the cash flows of



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

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.

## k) Derivatives and hedging activities

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The Company does not use the forward contract for speculative purposes. The Company designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Company's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Company's risk management strategy.

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised in other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

## l) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

## m) Property, Plant and Equipment

Property, Plant and Equipment are valued at cost, except for certain Property, Plant and Equipment which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

### Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

## n) Intangible assets

### i) Goodwill

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

## ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

## iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

## iv) Other intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

## v) Amortisation methods and periods

The company amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Computer Software	3 years
Non-Compete Fees	5 years
Copy Rights	3 years
Trade Mark	3 years
Other Intangible assets	3 years

## o) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as

transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

## q) Borrowing costs

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

## r) Provision, Contingent Liabilities and Contingent Assets

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, 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.

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## s) Employee benefits

### i) Defined Contribution Plan

Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred.

### ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method with actuarial valuation being carried out as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long-term compensated absences are provided for based on actuarial valuation.

### iii) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

## t) Contributed equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## u) Earnings per share

In determining Earnings per Share, the Company considers the net profit attributable to company's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

## v) Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 2 - Property, plant and equipment

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
<b>Carrying cost As at March 31, 2019</b>	<b>302.85</b>	<b>270.30</b>	<b>181.46</b>	<b>4.57</b>	<b>61.27</b>	<b>19.48</b>	<b>12.26</b>	<b>119.66</b>	<b>23.56</b>	<b>32.04</b>	<b>81.41</b>	<b>1,108.86</b>	<b>8.95</b>
Additions	-	-	8.74	-	1.85	7.52	2.44	31.62	3.92	0.31	-	56.40	3.33
Business Combination	-	-	-	-	1.11	0.57	3.48	21.32	-	-	-	26.48	-
Transfer	-	-	-	-	0.01	-	(0.01)	(0.00)	-	-	-	(0.00)	-
Disposals	-	-	(0.02)	(0.15)	-	(1.48)	(0.12)	(0.16)	-	-	-	(1.93)	(8.20)
<b>Carrying cost As at March 31, 2020</b>	<b>302.85</b>	<b>270.30</b>	<b>190.18</b>	<b>4.43</b>	<b>64.24</b>	<b>26.08</b>	<b>18.04</b>	<b>172.44</b>	<b>27.48</b>	<b>32.35</b>	<b>81.41</b>	<b>1,189.80</b>	<b>4.09</b>
Additions	-	-	0.67	-	1.09	6.65	0.90	70.33	0.28	-	1.40	81.32	-
Disposals\other adjustments	-	-	(0.57)	-	-	-	(0.11)	(0.85)	-	-	-	(1.53)	(4.09)
<b>Carrying cost As at March 31, 2021</b>	<b>302.85</b>	<b>270.30</b>	<b>190.28</b>	<b>4.43</b>	<b>65.32</b>	<b>32.73</b>	<b>18.83</b>	<b>241.92</b>	<b>27.77</b>	<b>32.35</b>	<b>82.81</b>	<b>1,269.58</b>	<b>-</b>

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
<b>Accumulated depreciation As at March 31, 2019</b>	<b>-</b>	<b>14.04</b>	<b>13.58</b>	<b>2.00</b>	<b>27.56</b>	<b>8.84</b>	<b>7.02</b>	<b>82.89</b>	<b>17.45</b>	<b>17.12</b>	<b>11.35</b>	<b>201.85</b>	<b>-</b>
Depreciation charge during the year	-	4.61	3.85	0.51	6.49	2.72	1.31	26.17	2.93	5.64	4.46	58.68	-
Business Combination	-	-	-	-	0.81	0.51	2.61	16.76	-	-	-	20.68	-
Transfer	-	-	-	-	-	-	0.01	(0.60)	-	-	-	(0.59)	-
Disposals	-	-	-	(0.07)	-	(0.97)	(0.00)	(0.12)	-	-	-	(1.16)	-
<b>Accumulated depreciation As at March 31, 2020</b>	<b>-</b>	<b>18.65</b>	<b>17.43</b>	<b>2.44</b>	<b>34.85</b>	<b>11.11</b>	<b>10.95</b>	<b>125.09</b>	<b>20.37</b>	<b>22.76</b>	<b>15.81</b>	<b>279.47</b>	<b>-</b>
Depreciation charge during the year	-	4.61	3.95	0.43	6.73	3.16	1.60	34.53	2.98	5.49	4.93	68.40	-
Disposals	-	-	-	-	-	-	-	(0.85)	-	-	-	(0.85)	-
<b>Accumulated depreciation As at March 31, 2021</b>	<b>-</b>	<b>23.26</b>	<b>21.38</b>	<b>2.87</b>	<b>41.58</b>	<b>14.27</b>	<b>12.55</b>	<b>158.77</b>	<b>23.36</b>	<b>28.24</b>	<b>20.73</b>	<b>347.01</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>302.85</b>	<b>247.03</b>	<b>168.90</b>	<b>1.56</b>	<b>23.75</b>	<b>18.47</b>	<b>6.28</b>	<b>83.14</b>	<b>4.41</b>	<b>4.11</b>	<b>62.07</b>	<b>922.57</b>	<b>-</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>302.85</b>	<b>251.65</b>	<b>172.75</b>	<b>1.99</b>	<b>29.38</b>	<b>14.97</b>	<b>7.09</b>	<b>47.35</b>	<b>7.11</b>	<b>9.59</b>	<b>65.60</b>	<b>910.34</b>	<b>4.09</b>

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 3 - Intangible assets, Goodwill and Right-to-use assets

(₹ in millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill	Right to Use Assets
<b>Carrying cost As at March 31, 2019</b>	<b>52.81</b>	<b>129.98</b>	<b>29.66</b>	<b>8.35</b>	<b>0.93</b>	<b>221.73</b>	<b>99.24</b>	<b>-</b>
Additions	0.81	18.10	-	-	0.73	19.64	-	34.49
Business Combination (Refer Note No 51)	-	6.58	-	-	-	6.58	287.01	-
Transfer	-	0.00	-	-	-	0.00	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Carrying cost As at March 31, 2020</b>	<b>53.62</b>	<b>154.66</b>	<b>29.66</b>	<b>8.35</b>	<b>1.66</b>	<b>247.95</b>	<b>386.25</b>	<b>34.49</b>
Additions	-	2.38	-	-	-	2.38	-	45.99
Disposals	-	-	-	-	-	-	-	-
Impairment during the year	-	-	-	-	-	-	(99.24)	-
<b>Carrying cost As at March 31, 2021</b>	<b>53.62</b>	<b>157.04</b>	<b>29.66</b>	<b>8.35</b>	<b>1.66</b>	<b>250.33</b>	<b>287.02</b>	<b>80.48</b>

(₹ in millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill	Right to Use Assets
<b>Accumulated amortisation and impairment As at March 31, 2019</b>	<b>17.59</b>	<b>90.65</b>	<b>22.13</b>	<b>6.16</b>	<b>0.13</b>	<b>136.66</b>	<b>-</b>	<b>-</b>
Amortisation charge during the year	17.59	26.05	6.72	1.88	0.53	52.77	-	21.57
Business Combination	-	3.45	-	-	-	3.45	-	-
Transfer	-	0.59	-	-	-	0.59	-	-
Disposals	-	-	-	-	-	-	-	-
<b>Accumulated amortisation and impairment As at March 31, 2020</b>	<b>35.18</b>	<b>120.74</b>	<b>28.85</b>	<b>8.04</b>	<b>0.66</b>	<b>193.48</b>	<b>-</b>	<b>21.57</b>
Amortisation charge during the year	17.82	20.33	0.81	0.31	0.55	39.82	-	24.24
Disposals	-	-	-	-	-	-	-	-
<b>Accumulated amortisation and impairment As at March 31, 2021</b>	<b>53.00</b>	<b>141.07</b>	<b>29.66</b>	<b>8.35</b>	<b>1.22</b>	<b>233.30</b>	<b>-</b>	<b>45.81</b>
<b>Net carrying amount as at March 31, 2021</b>	<b>0.62</b>	<b>15.97</b>	<b>-</b>	<b>-</b>	<b>0.44</b>	<b>17.03</b>	<b>287.02</b>	<b>34.67</b>
<b>Net carrying amount as at March 31, 2020</b>	<b>18.44</b>	<b>33.92</b>	<b>0.81</b>	<b>0.31</b>	<b>0.99</b>	<b>54.47</b>	<b>386.25</b>	<b>12.92</b>



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 4 - Investments (Non-current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (FVOCI)</b>		
18,234 (P.Y. 18,234) fully paid Equity Shares of Rs. 2 each of Wipro Limited	7.55	3.58
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 1 each of Vikas WSP Limited	0.03	0.02
800 (P.Y. 800) fully paid Equity Shares of Rs. 5 each of Mahindra and Mahindra Limited	0.64	0.23
8,998 (P.Y. 8,998) fully paid Equity Shares of Rs. 10 each of Coal India Limited	1.17	1.26
38,767 (P.Y. 38,767) fully paid Equity Shares of Rs. 10 each of Powergrid Corporation	8.36	6.16
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 2 each of Axis Bank Limited	3.49	1.90
1,800 (P.Y. 1,800) fully paid Equity Shares of Rs. 2 each of Larsen and Toubro Limited	2.55	1.45
Nil (P.Y. 900) fully paid Equity Shares of Rs. 10 each of Cybertech Limited	-	0.03
35,200 (P.Y. 35,200) fully paid Equity Shares of Rs. 10 each of Global Offshore Services Limited	0.22	0.09
11,000 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Indian Bank Limited	1.28	-
3,000 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of SBI Bank	1.09	-
130 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of HDFC Bank Limited	0.19	-
5,716 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of SBI Card and Payment Services Limited	5.31	-
2,392 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Tata Communications Limited	2.54	-
6,192 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Crompton Greaves Consumer Electrical Limited	2.43	-
958 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Endurance Technologies Limited	1.39	-
25,057 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of IDFC Limited	1.19	-
179 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Schaeffler India Limited	0.97	-
3,531 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Birlasoft Limited	0.89	-
810 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of SBI Life Insurance Company Limited	0.71	-
6,826 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Equitas Holdings Limited	0.60	-
603 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Max Financial Services Limited	0.52	-
2,404 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of City Union Bank Limited	0.37	-
1,056 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Sterlite Technologies Limited	0.21	-
<b>Investment in equity instruments (fully paid-up)</b>		
<b>In subsidiaries - Wholly Owned - Unquoted (at cost)</b>		
1,000 (P.Y. 1,000) no par value common stock in Datamatics Global Services Inc.	644.26	644.04
20,000 (P.Y. 20,000) equity shares of Datamatics Infotech Limited of GBP 1 each	1.71	1.71
50,000 (P.Y. 50,000) equity shares of Datamatics Global Technologies AG of CHF 1 each	2.26	2.26
1,000,000 (P.Y. 1,000,000) equity shares of Datamatics Global Technologies Limited of USD 1 each	46.05	46.05
50,000 (P.Y. 50,000) equity shares of Datamatics Global Services Pty Limited of AUD 1 each	1.56	1.56
10,778,655 (10,028,655) equity shares of Lumina Datamatics Limited of Rs. 10 each	1,078.60	907.60
50 (P.Y. 50) equity shares of Datamatics Global Services FZ - LLC of AED 1,000 each	0.86	0.86
Nil (P.Y. 50,000) equity shares of LD Publishing & eRetail Limited of Rs. 10 each	-	0.50
Nil (P.Y. 40,000) Equity shares of USD 0.1 each of M/s. TechJini Inc.	-	0.22
<b>In subsidiary - Unquoted (at cost)</b>		
51,000 (P.Y. 51,000) equity shares of Datamatics Staffing Services Limited of Rs. 10 each	74.46	74.46
<b>In Joint venture - Others- Unquoted (at cost)</b>		
428,400 (P.Y. 428,400) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of Rs. 10 each	794	794

## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
<b>Investment in preference shares</b>		
<b>Unquoted (at FVTPL)</b>		
<b>In subsidiaries - Wholly Owned</b>		
5,350,000 (P.Y. 12,350,000) fully paid Series II & III 8% Non Cumulative Redeemable Preference shares of Datamatics Global Technologies Limited of USD 1 each	78.63	166.35
Nil (P.Y. 27,670,856) 9% Redeemable Preference Shares of Lumina Datamatics Limited of Rs. 10 each	-	154.56
<b>In stepdown subsidiary</b>		
13,470,000 (P.Y. Nil) fully paid 10% Non cumulative Redeemable Preference Shares of Datamatics Robotics Software Limited of Rs. 10 each	111.62	-
<b>Investment in perpetual non- cumulative non- convertible debentures</b>		
<b>In stepdown subsidiary (at Cost)</b>		
13,200,000 (P.Y. Nil) fully paid 10% Unsecured Perpetual Non- Cumulative Non- Convertible Debentures of Datamatics Robotics Software Limited of Rs. 10 each	172.00	-
<b>Total</b>	<b>2,263.66</b>	<b>2,022.82</b>
Aggregate amount of quoted investments	43.70	14.72
Aggregate amount of unquoted investments	2,219.96	2,008.10
Aggregate market value of quoted investments	43.70	14.72

### Note 5 - Loans (non-current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to employees	0.27	0.55
<b>Total</b>	<b>0.27</b>	<b>0.55</b>

### Note 6 - Other financial assets (non-current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Security deposits	59.70	61.81
Less: Provision for doubtful deposits	9.17	6.17
Net security deposits	50.53	55.64
Fair value of outstanding forward contracts (FVOCI)	4.85	2.73
Fair value of outstanding corporate guarantees (FVTPL)	-	8.56
<b>Total</b>	<b>55.38</b>	<b>66.93</b>





# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 7 – Deferred Tax Assets

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Deferred Tax Assets	130.35	248.93
<b>Total</b>	<b>130.35</b>	<b>248.93</b>

## 7(a) – Income tax expense

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Current tax		
Current tax on profits for the year	93.62	103.31
Adjustments for current tax of prior periods	(2.94)	2.93
<b>Total current tax expense</b>	<b>90.68</b>	<b>106.24</b>
Deferred tax		
Decrease/(increase) in deferred tax assets	110.39	42.01
Adjustments for deferred tax of prior periods	0.81	-
<b>Total deferred tax expense/(benefit)</b>	<b>111.21</b>	<b>42.01</b>
<b>Income tax expense</b>	<b>201.89</b>	<b>148.25</b>

## 7(b) – Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
<b>Profit for the year</b>	<b>764.99</b>	<b>551.38</b>
Statutory tax rate applicable	25.17%	25.17%
<b>Tax expense at applicable tax rate</b>	<b>192.53</b>	<b>138.77</b>
Effects of:		
Income taxed at higher/ (lower) rates	0.03	(1.58)
Amounts which are not deductible (taxable)	(18.06)	(0.25)
Tax holiday & exempt income	-	(3.37)
Adjustments for tax of prior periods	(2.13)	4.29
Basis difference that will reverse during tax holiday period	-	-
Taxable due to change in tax base	29.51	(10.36)
Change in Tax Rate	-	19.89
Other	-	0.88
<b>Income tax expense</b>	<b>201.89</b>	<b>148.25</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## 7(c) - Deferred tax (Net)

(₹ in millions)

Particulars	March 31, 2020	Recognized in P&L	Recognized in OCI	March 31, 2021
<b>Deferred Tax Assets</b>				
Employee benefits	47.06	7.02	(2.77)	51.32
Provision for doubtful debts	28.48	(8.97)	-	19.51
Investment In subsidiaries	188.00	(111.22)	-	76.78
Others	22.66	(22.44)	-	0.22
<b>Total Deferred Tax Assets</b>	<b>286.20</b>	<b>(135.61)</b>	<b>(2.77)</b>	<b>147.83</b>
<b>Deferred Tax Liabilities</b>				
Depreciation	41.00	(26.27)		14.74
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	(0.38)	1.86	0.77	2.25
Cash flow hedging	(3.35)	-	3.84	0.49
<b>Total Deferred Tax Liabilities</b>	<b>37.27</b>	<b>(24.40)</b>	<b>4.61</b>	<b>17.48</b>
<b>Net Deferred Tax</b>	<b>248.93</b>	<b>(111.21)</b>	<b>(7.38)</b>	<b>130.35</b>

(₹ in millions)

Particulars	March 31, 2019	Recognized due to Merger	Recognized in Retained earnings	Recognized in P&L	Recognized in OCI/Equity	March 31, 2020
<b>Deferred Tax Assets</b>						
Employee benefits	46.72	4.33	-	(12.18)	8.19	47.06
Provision for doubtful debts	35.08	13.54	-	(20.14)	-	28.48
Investment In subsidiaries	188.07	-	-	(0.07)	-	188.00
MAT credit	4.86	-	-	(4.86)	-	-
Others	20.25	1.27	1.16	(0.02)	-	22.66
<b>Total Deferred Tax Assets</b>	<b>294.98</b>	<b>19.14</b>	<b>1.16</b>	<b>(37.27)</b>	<b>8.19</b>	<b>286.20</b>
<b>Deferred Tax Liabilities</b>						
Depreciation	32.37	(0.52)	-	9.15	-	41.00
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	4.40	-	-	(4.41)	(0.37)	(0.38)
Cash flow hedging	25.79	-	-	-	(29.14)	(3.35)
<b>Total Deferred Tax Liabilities</b>	<b>62.56</b>	<b>(0.52)</b>	<b>-</b>	<b>4.74</b>	<b>(29.51)</b>	<b>37.27</b>
<b>Net Deferred Tax</b>	<b>232.42</b>	<b>19.66</b>	<b>1.16</b>	<b>(42.01)</b>	<b>37.70</b>	<b>248.93</b>

\* A new section 115BAA was inserted in the IT Act 1961 by the Govt of India on September 20, 2019 wide the Taxation Laws (Amendment) Ordinance 2019, which provides the option to pay income-tax at reduce rate in accordance with the provision/conditions defined in the said section. Accordingly the company had exercised and recognised the income tax on the basis of that section and remeasured the current tax and deferred tax during the previous year.

## Note 8 - Non-current Tax Assets

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Advance Tax & TDS (net of provision)	92.56	138.04
<b>Total</b>	<b>92.56</b>	<b>138.04</b>

## Note 9 - Other non-current assets

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Prepaid expenses	5.94	3.95
Balance with govt authorities	0.05	0.05
<b>Total</b>	<b>5.99</b>	<b>4.00</b>



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 10 – Investments (current)

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
<b>Investment in mutual funds</b>		
<b>Quoted (at FVTPL)</b>		
5,815 (P.Y. Nil) units of Kotak Money Market Fund	20.16	-
79,218 (P.Y. Nil) units of Aditya Birla SL Money Manager Fund -Growth	22.57	-
8,17,663 (P.Y. Nil) units of Aditya Birla SL Liquid Fund - Growth	269.26	-
35,251 (P.Y. Nil) units of ICICI Money Market Fund	10.33	-
18,729 (P.Y. Nil) units of HDFC Money Market Fund	82.76	-
3,22,791 (P.Y. Nil) units of ABSL Saving Fund	136.45	-
74,21,214 (P.Y. Nil) units of ICICI Ultra Short Term Fund	160.05	-
1,89,229 (P.Y. Nil) units of ABSL Floating Rate Fund - Reg - Growth	50.30	-
1,09,049 (P.Y. Nil) units of ICICI Prudential Liquid Fund - Direct Plan - Growth	33.23	-
3,482 (P.Y. Nil) units of Kotak Liquid - Direct Plan- Growth	14.48	-
Nil (P.Y. 11,411) units of Kotak Overnight Fund - Growth	-	12.16
Nil (P.Y. 3) units of Motilal Oswal Home Finance Limited	-	3.19
Nil (P.Y. 13,485) units of ICICI Prudential Liquid Fund - Growth	-	3.94
Nil (P.Y. 88,285) units of Franklin India Overnight Fund - Growth Option	-	92.20
<b>Investment in fixed deposits</b>		
<b>Unquoted (at Cost)</b>		
Corporate Fixed Deposits	80.00	-
<b>Total</b>	<b>879.60</b>	<b>111.49</b>
Aggregate amount of quoted investments	799.60	111.49
Aggregate amount of unquoted investments	80.00	-
Aggregate market value of quoted investments	799.60	111.49

## Note 11 – Trade receivables

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
<b>Unsecured</b>		
Considered Good	975.71	1,335.23
Less :- Allowance for expected credit loss (Refer Note No. 37)	27.22	84.36
	948.49	1,250.87
<b>Credit impaired</b>		
Less :- Allowance for expected credit loss (Refer Note No. 37)	38.63	20.14
	38.63	20.14
	-	-
<b>Total</b>	<b>948.49</b>	<b>1,250.87</b>

Trade receivable includes receivable from related parties (Refer Note No. 39).

## Note 12 – Cash and cash equivalents

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
<b>Balances with bank</b>		
- in Current Acocunt	85.84	142.81
- in Deposit Acocunt	80.00	278.60
Cash on hand	3.16	5.19
<b>Total</b>	<b>169.00</b>	<b>426.60</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## Note 13 – Other bank balances

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Margin money deposits*	37.79	37.30
Fixed Deposit	95.00	-
Unpaid dividend account**	1.52	1.77
<b>Total</b>	<b>134.31</b>	<b>39.07</b>

\* Of the above Rs. 37.79 million ( As at March 31, 2020: Rs. 37.30 million) are marked as lien for guarantees issued by banks on behalf of the Company.

\*\* The Company can utilise balances only towards settlement of the unpaid dividend.

## Note 14 – Loans (current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)		
To Related Party-		
Loan to Subsidiaries (Refer Note No. 39)*	18.00	147.30
Others-		
Loan to employees	0.80	0.97
<b>Total</b>	<b>18.80</b>	<b>148.27</b>

\* The loan is given to step down subsidiary, Datamatics Robotics Software Limited and subsidiary, Datamatics Staffing Services Limited, for meeting working capital needs. The loan is repayable on demand. Rate of interest is 8.70% and 8.40% respectively.

## Note 15 – Other financial assets(current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Security deposits	3.60	7.30
Less: Allowance for doubtful deposit	(2.50)	(2.50)
	1.10	4.80
Advances to related parties (Refer Note No. 39)	13.49	40.55
Others-		
Interest accrued	8.07	9.53
Fair Value of Outstanding Forward Contracts (FVOCI)	20.61	27.00
Unbilled Revenue	599.32	427.37
Derivatives financial assets	5.26	-
<b>Total</b>	<b>647.85</b>	<b>509.25</b>

## Note 16 – Current Tax Assets

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Advance Tax & TDS (net of provision)	75.32	48.26
<b>Total</b>	<b>75.32</b>	<b>48.26</b>

## Note 17 – Other current assets

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Advance to Vendors	27.64	43.42
Advance to staff	0.87	6.15
Balance with govt authorities	21.93	12.64
Prepaid expenses	49.79	30.77
Other assets	1.77	6.99
<b>Total</b>	<b>102.00</b>	<b>99.97</b>

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 18 – Share capital and other equity

### 18(a) – Equity share capital

(i) Authorised share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹in millions)
As at March 31, 2019	104,000,000	520.00
Increase during the year*	1,200,000	6.00
As at March 31, 2020	105,200,000	526.00
Increase during the year	-	-
As at March 31, 2021	105,200,000	526.00

\*Pursuant to scheme of merger of the DDL with the company (Refer Note No. 42 (ii))

Authorised redeemable preference share capital of face value of ₹ 10/- each

Particulars	Number of shares	(₹in millions)
As at March 31, 2019	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2020	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2021	45,550,000	455.50

Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

Particulars	Number of shares	(₹in millions)
As at March 31, 2019	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2020	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2021	58,949,337	294.75

Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

(ii) Movements in equity share capital

Particulars	Number of shares	(₹in millions)
As at March 31, 2019	58,949,337	294.75
Other movements	-	-
As at March 31, 2020	58,949,337	294.75
Other movements	-	-
As at March 31, 2021	58,949,337	294.75

(iii) Shares of the company held by holding company

(₹in millions)

Particulars	March 31, 2021	March 31, 2020
32,098,742 (32,098,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited	165.00	165.00

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2021		March 31, 2020	
	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	32,098,742	54.45%	32,098,742	54.45%
Lalit Surajmal Kanodia	47,88,265	8.12%	36,15,384	6.13%
Asha Lalit Kanodia	3,305,258	5.61%	3,305,258	5.61%

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## (iv) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of Rs. 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

18(b) Other equity*		(₹ in millions)	
Particulars		March 31, 2021	March 31, 2020
Securities premium reserve	Refer Note (i) below	1,080.08	1,080.08
Retained earnings		2,883.46	2,320.36
General reserve	Refer Note (ii) below	1,077.14	1,077.14
Capital reserve	Refer Note (iii) below	35.60	35.60
Capital redemption reserve	Refer Note (iv) below	244.28	244.28
OCI -			
Equity investments	Refer Note (v) below	3.78	(4.74)
Actuarial gains and losses		(26.35)	(34.58)
Cash flow hedging reserve	Refer Note (vi) below	1.45	(9.96)
<b>Total</b>		<b>5,299.43</b>	<b>4,708.19</b>

\* For movement of reserves, refer statement of changes in equity.

## Nature of reserves

### (i) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

### (ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

### (iii) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company.

### (iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

### (v) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

### (vi) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 19 - Lease liabilities (non- current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Lease Liabilities	15.67	-
<b>Total</b>	<b>15.67</b>	<b>-</b>

## Note 20 - Other financial liabilities (non-current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Creditor for capital expenditure	0.61	0.52
Fair value of outstanding forward contracts (FVOCI)	5.13	24.71
Fair value of outstanding corporate guarantees (FVTPL)	-	8.56
<b>Total</b>	<b>5.74</b>	<b>33.80</b>

## Note 21 - Provisions (Non-current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Unfunded (Refer Note No. 40)		
Provisions for employee benefits		
Gratuity	125.82	120.36
Leave Encashment	50.26	42.39
<b>Total</b>	<b>176.08</b>	<b>162.75</b>

## Note 22 - Current borrowings

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
From Banks*	-	400.00
From Others**	-	87.50
<b>Total</b>	<b>-</b>	<b>487.50</b>

Notes-

\*Working capital loan from Citibank N.A. is secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipments of the Company, both, past and present.

Tenure - 180 Days

Rate of interest - 10.5%

\*\*Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immoveable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the company hence considered as current borrowings.

## Note 23 - Trade payables

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Dues of Micro and small enterprises	7.88	5.62
Dues other than Micro and small enterprises	645.59	503.42
<b>Total</b>	<b>653.47</b>	<b>509.04</b>

## Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
(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	-	0.01
(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 24 - Other financial liabilities (current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Interest accrued but not due	-	0.69
Advance from related parties	7.10	-
Fair value of outstanding forward contracts (FVOCI)	18.38	18.31
Deposits received	1.70	1.56
Unclaimed Dividend*	1.52	1.77
Other payables	6.76	6.58
<b>Total</b>	<b>35.46</b>	<b>28.91</b>

\* Dividend Rs. 0.23 million (Rs. 0.17 million) unclaimed for a period of more than seven years has been transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2021.

### Note 25 - Lease liabilities (current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Lease Liabilities	19.78	15.66
<b>Total</b>	<b>19.78</b>	<b>15.66</b>

### Note 26 - Provisions (current)

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Unfunded (Refer Note No. 40)		
Provisions for employee benefits		
Gratuity	19.22	20.63
Leave Encashment	19.40	14.41
<b>Total</b>	<b>38.62</b>	<b>35.04</b>

### Note 27 - Other current liabilities

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Statutory dues (net)	56.96	90.46
Advance from customers	146.42	77.69
Unearned Revenue	42.49	39.33
<b>Total</b>	<b>245.87</b>	<b>207.48</b>



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 28 - Revenue from operations

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Sale of Product	21.79	115.11
Sale of Services	4,554.84	4,583.06
<b>Total</b>	<b>4,576.63</b>	<b>4,698.17</b>

## Note 29 - Other income

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Interest from Bank	5.64	2.81
Interest from loan to subsidiary	2.62	8.13
Interest on Income tax refund	6.62	-
Interest Others	0.46	0.06
Dividend on share investment	0.67	3.27
Dividend from joint venture	50.50	10.71
Profit on sale of investments other than carried at FVOCI	16.03	16.84
Guarantee fees received	0.60	0.96
Profit on sale of assets (Net)	0.64	0.45
Unrealised gain on fair value of financial assets	(8.49)	8.80
Exchange gain (Net)	19.54	87.55
Incentive under SEIS Scheme	-	13.62
Miscellaneous receipts	13.77	2.58
<b>Total</b>	<b>108.60</b>	<b>155.78</b>

## Note 30 - Purchase of IT Products and Licenses

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Purchase of IT Products and Licenses	18.78	99.73
<b>Total</b>	<b>18.78</b>	<b>99.73</b>

## Note 31 - Employee benefit expenses

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Salary, Wages & Allowances	2,995.26	2,805.52
Contribution towards Provident & Other funds	146.46	143.67
Staff Welfare expenses	30.21	77.61
<b>Total</b>	<b>3,171.93</b>	<b>3,026.80</b>

## Note 32 - Finance costs

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Interest on loan from banks	22.15	17.82
Interest on lease liabilities	1.41	2.40
Other finance charges	5.73	4.13
<b>Total</b>	<b>29.29</b>	<b>24.35</b>

## Note 33 - Depreciation and Amortisation Expenses

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Depreciation on property plant and equipment	68.40	58.68
Depreciation on Leased Assets	24.24	21.57
Amortisation on intangible assets	39.82	52.77
<b>Total</b>	<b>132.46</b>	<b>133.02</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## Note 34 - Other expenses

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
IT Infrastructure & Development Cost	163.81	109.50
Technical fees	241.10	194.32
Outsourcing cost	4.08	7.83
Travelling expenses	21.79	143.94
Recruitment charges	23.78	30.09
Rent (Refer Note No. 41)	20.38	57.62
Electricity expenses	49.45	75.54
Communication charges	20.19	16.91
Rates & Taxes	11.98	15.50
Water charges	0.76	2.57
Legal & Professional expenses	60.33	59.89
Auditor's Remuneration (Refer Note No. 47)	3.86	4.20
Link Charges	23.56	21.63
Vendor charges	42.57	46.57
Insurance	7.16	7.78
Vehicle expenses	2.50	5.78
Repairs & Maintenance expenses	34.69	35.86
Software Maintenance expenses	50.40	37.87
Hire charges	26.93	17.18
Printing & Stationery	1.40	4.89
Subscription expenses	12.83	14.93
Entertainment Expenses	0.29	3.36
Bank Charges	2.77	5.73
Board Sitting Fees	1.20	0.79
Sales Promotion	23.61	17.36
Security Charges	16.81	16.11
Computer Peripherals	3.90	5.64
Bad Debts Written off	46.98	74.69
Less: Allowance for doubtful debts written back	(39.41)	(74.69)
Allowance for doubtful Debts	0.76	30.13
Allowance for doubtful deposit	3.00	2.50
CSR Expenditure	9.96	16.80
Miscellaneous expenses	3.04	9.86
<b>Total</b>	<b>896.47</b>	<b>1,018.67</b>

## Note 35 - Exceptional items

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Realised gain on fair value of financial assets	306.39	-
Impairment of goodwill	(99.24)	-
Exchange gain on sale of financial assets	121.54	-
<b>Total</b>	<b>328.69</b>	<b>-</b>

Note:

- The company recorded the realised gain on fair value of financial assets of Rs. 293.19 million and Rs. 13.20 million relating to redemption of preference shares of Datamatics Global Technologies Limited and Lumina Datamatics Limited respectively, subsidiaries.
- The company performed the impairment assessment of Vista, a business segment of the company, and basis that goodwill amounting to Rs. 99.24 million was impaired.
- The company recorded the exchange gain of Rs. 121.54 million relating to the redemption of preference share of Datamatics Global Technologies Limited, a subsidiary.



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 36: Fair value measurements

(₹ in millions)

Financial instruments by category	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	879.60	-	-	111.49	-	-
- Equity instruments	-	43.70	-	-	14.72	-
- Preference shares	190.25	-	-	320.91	-	-
Trade receivables	-	-	948.49	-	-	1,250.87
Cash and cash equivalents	-	-	169.00	-	-	426.60
Bank balances other than Cash and cash equivalents	-	-	134.31	-	-	39.07
Security deposit	-	-	51.63	-	-	60.44
Fair value of outstanding forward contracts	-	25.46	-	-	29.73	-
Fair value of outstanding corporate guarantees	-	-	-	8.56	-	-
Loan to Employees & Subsidiaries	-	-	19.07	-	-	148.82
Unbilled Revenue	-	-	599.32	-	-	427.37
Other receivables	-	-	26.83	-	-	50.07
<b>Total financial assets</b>	<b>1,069.85</b>	<b>69.16</b>	<b>1,948.65</b>	<b>440.96</b>	<b>44.45</b>	<b>2,403.24</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	487.50
Trade payables	-	-	653.47	-	-	509.04
Fair value of outstanding corporate guarantees	-	-	-	8.56	-	-
Fair Value of Outstanding Forward Contracts	-	23.51	-	-	43.02	-
Lease liabilities	-	-	35.45	-	-	15.66
Other payables	-	-	17.69	-	-	11.13
<b>Total financial liabilities</b>	<b>-</b>	<b>23.51</b>	<b>706.61</b>	<b>8.56</b>	<b>43.02</b>	<b>1,023.33</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 millions)

Financial assets and liabilities measured at fair value At 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	879.60	-	-	879.60
Preference shares	-	-	190.25	190.25
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	25.46	-	-	25.46
Equity instruments	43.70	-	-	43.70
<b>Total financial assets</b>	<b>948.76</b>	<b>-</b>	<b>190.25</b>	<b>1,139.01</b>
<b>Financial Liabilities</b>				
Fair Value of Outstanding Forward Contracts	23.51	-	-	23.51
<b>Total financial liabilities</b>	<b>23.51</b>	<b>-</b>	<b>-</b>	<b>23.51</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

	(₹ in millions)			
Financial assets and liabilities measured at fair value At 31 March 2020	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial Investments at FVPL</b>				
Mutual funds	111.49	-	-	111.49
Preference shares	-	-	320.91	320.91
Fair value of outstanding corporate guarantees	-	-	8.56	8.56
<b>Financial Investments at FVOCI</b>				
Fair value of outstanding forward contracts	29.73	-	-	29.73
Equity instruments	14.72	-	-	14.72
<b>Total financial assets</b>	<b>155.94</b>	<b>-</b>	<b>329.47</b>	<b>485.41</b>
<b>Financial Liabilities</b>				
Fair value of outstanding corporate guarantees	-	-	8.56	8.56
Fair Value of Outstanding Forward Contracts	43.02	-	-	43.02
<b>Total financial liabilities</b>	<b>43.02</b>	<b>-</b>	<b>8.56</b>	<b>51.58</b>

There are no transfers between levels 1 and 2 during the year.

Reconciliation of Level 3 fair value measurement is as follows:

Particulars	(₹ in millions)
Amount	
<b>Balance as on March 31, 2019</b>	<b>183.68</b>
Change in the value	137.23
<b>Balance as on March 31, 2020</b>	<b>320.91</b>
Change in the value	(130.66)
<b>Balance as on March 31, 2021</b>	<b>190.25</b>

## 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.





# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 37: Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

### A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

#### Credit risk management

The company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of such trade receivables as shown in note 11 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ in millions)
<b>Loss allowance on 31 March 2019</b>	<b>149.06</b>
Changes in loss allowance	(44.56)
<b>Loss allowance on 31 March 2020</b>	<b>104.50</b>
Changes in loss allowance	(38.65)
<b>Loss allowance on 31 March 2021</b>	<b>65.85</b>

### 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.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## C) Market risk

### i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 50% to 70% of forecasted receivables for the subsequent 18 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 50% to 70% of the forecasted receivables.

### a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2021 and March 31, 2020 are given below :

Particulars	Currency	(₹ in millions)			
		March 31, 2021		March 31, 2020	
		Foreign Currency	(₹ in millions)	Foreign Currency	(₹ in millions)
Receivables	USD	7.47	545.99	7.19	543.65
	GBP	1.58	158.85	3.19	298.78
	EUR	0.40	34.61	0.55	45.70
	CHF	0.21	16.44	0.44	34.23
	AUD	0.04	2.49	0.59	27.25
	AED	0.02	0.34	0.06	1.33
	CAD	0.13	7.76	0.03	1.66
	SEK	0.04	0.34	0.05	0.41
Payables	USD	3.36	245.44	2.83	213.66
	EUR	0.05	4.62	-	-
	AUD	-	-	0.00	0.18
	CHF	0.15	11.82	0.16	12.33
	GBP	0.13	12.85	0.00	0.02
	SGD	0.00	0.04	0.00	0.04

### b) Sensitivity

The Company is mainly exposed to changes in USD, GBP, CHF, AUD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, CHF, AUD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
USD	15.03	16.50
GBP	7.30	14.94
EUR	1.50	2.29
CHF	0.23	1.09
AUD	0.12	1.35

\* Holding all other variables constant

### ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:  
(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Fixed rate borrowings	-	487.50
<b>Total borrowings</b>	<b>-</b>	<b>487.50</b>

## b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

## iii) Price risk

### a) Exposure

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

All of the company's equity investments are publicly traded.

## Note 38: Capital management

### a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowing includes current maturities of long term borrowings.

	(₹ in millions)	
	March 31, 2021	March 31, 2020
Borrowings	-	487.50
Total equity	5,594.18	5,002.94
<b>Borrowing to equity ratio</b>	<b>-</b>	<b>0.10</b>

### b) Dividends

	(₹ in millions)	
Particulars	March 31, 2021	March 31, 2020
Dividends not recognised at the end of the reporting period		
<b>The directors have not recommended the payment of a final dividend.</b>	<b>-</b>	<b>-</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## Note 39: Related party transactions

A As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company as defined in Ind AS- 24.

(i) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

### (A) Subsidiary Companies

Datamatics Global Services Inc.  
 Datamatics Global Technologies Limited  
 Datamatics Global Technologies AG  
 Datamatics Infotech Limited  
 LD Publishing & eRetail Limited (upto 22nd March, 2021)  
 Datamatics Global Services FZ LLC  
 Datamatics Global Services Pty. Limited  
 Datamatics Robotics Software Limited (Stepdown Subsidiary)  
 Datamatics Robotics Software Inc (Stepdown Subsidiary)  
 Datamatics Global Services Corp. (Stepdown Subsidiary)  
 RJ Globus Solutions Inc (Stepdown Subsidiary)  
 RJ Globus Inc (Stepdown subsidiary)  
 RJ Globus Solutions Private Limited (Stepdown Subsidiary)  
 Cignex Datamatics Corporation (Stepdown Subsidiary) (upto 17th Aug, 2020)  
 Cignex Datamatics Technologies Limited (Stepdown Subsidiary) (upto 31st Dec, 2020)  
 Cignex Datamatics Inc. (Stepdown Subsidiary) (upto 31st Dec, 2020)  
 Cignex Datamatics Pte. Limited (Stepdown Subsidiary) (upto 31st Dec, 2020)  
 Cignex Datamatics UK Ltd (Stepdown Subsidiary) (upto 31st Dec, 2020)  
 Cignex Datamatics GmbH (Stepdown Subsidiary) (upto 31st Dec, 2020)  
 Lumina Datamatics Limited  
 Lumina Datamatics Inc. (Stepdown Subsidiary)  
 Lumina Datamatics GmbH (Stepdown Subsidiary)  
 LDR eRetail Limited (Stepdown Subsidiary)  
 Lumina Datamatics Assessment and Analytics, LLC (Stepdown Subsidiary)  
 Datamatics Staffing Services Limited (Subsidiary)  
 Datamatics Global Services B.V. (Stepdown Subsidiary) (w.e.f. September 13, 2019)

### (B) Joint Venture Company

Cybercom Datamatics Information Solutions Limited

### (C) Key Managerial Personnel

Dr. Lalit S. Kanodia, Chairman  
 Mr. Rahul L. Kanodia, Vice chairman & CEO  
 Mr. Sameer L. Kanodia, Director  
 Ms. Divya Kumat, Company Secretary  
 Mr. Sandeep Mantri, Chief Financial Officer

### (D) Other related parties

Mrs. Asha L. Kanodia  
 Mrs. Aneesha Dalmia  
 Mrs. Priyadarshini Kanodia  
 Datamatics Business Solutions Limited  
 Datamatics Infotech Services Private Limited

### (E) Holding Company

Delta Infosolutions Private Limited

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

(ii)		Details of transactions with the related parties stated in (i) above :										(₹ in millions)	
Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E			
[A]		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20		
	Transactions during the year ended												
i	Revenue from operations	1,276.10	1,144.00	-	-	-	-	6.52	5.81	-	-		
	Datamatics Global Services Inc.	502.68	230.47	-	-	-	-	-	-	-	-		
	Datamatics Global Technologies Limited	3.77	10.28	-	-	-	-	-	-	-	-		
	Datamatics Global Services FZ-LLC	32.58	-	-	-	-	-	-	-	-	-		
	Datamatics Infotech Limited	719.59	767.32	-	-	-	-	-	-	-	-		
	Lumina Datamatics Limited	16.40	12.13	-	-	-	-	-	-	-	-		
	Lumina Datamatics. Inc.	1.09	-	-	-	-	-	-	-	-	-		
	Cignex Datamatics Inc.	-	2.58	-	-	-	-	-	-	-	-		
	Techjini Inc	-	121.22	-	-	-	-	-	-	-	-		
	Datamatics Business Solutions Limited	-	-	-	-	-	-	6.52	5.81	-	-		
ii	Technical fees	6792	83.01	-	-	-	-	2.35	-	-	-		
	Datamatics Global Services Inc.	51.21	59.73	-	-	-	-	-	-	-	-		
	Datamatics Global Technologies AG	15.68	14.15	-	-	-	-	-	-	-	-		
	Datamatics Robotics Software Limited	-	2.60	-	-	-	-	-	-	-	-		
	Cignex Datamatics Technologies Limited	1.04	6.53	-	-	-	-	-	-	-	-		
	Datamatics Business Solutions Limited	-	-	-	-	-	-	2.35	-	-	-		
iii	Expenses incurred by related parties	55.78	57.71	1.00	0.32	-	-	-	-	-	-		
	Datamatics Global Services Inc.	55.62	57.71	-	-	-	-	-	-	-	-		
	Datamatics Global Services B.V.	0.16	-	-	-	-	-	-	-	-	-		
	Cybercom Datamatics Information Solutions Limited	-	-	1.00	0.32	-	-	-	-	-	-		
iv	Expenses incurred for related parties	22.02	20.57	1.56	0.10	-	-	-	-	-	-		
	Cignex Datamatics Technologies Limited	4.70	5.16	-	-	-	-	-	-	-	-		
	Lumina Datamatics Limited	4.32	5.35	-	-	-	-	-	-	-	-		
	Datamatics Robotics Software Limited	12.23	9.30	-	-	-	-	-	-	-	-		
	Cybercom Datamatics Information Solutions Limited	-	-	1.56	0.10	-	-	-	-	-	-		
	LDR e-Retail Limited	0.76	0.76	-	-	-	-	-	-	-	-		
v	Legal and professional fees	-	-	-	-	-	-	0.13	0.34	-	-		
	Datamatics Business Solutions Limited	-	-	-	-	-	-	0.13	0.34	-	-		
vi	Managerial remuneration*	-	-	-	-	18.55	25.76	-	-	-	-		
	Dr. Lalit S. Kanodia	-	-	-	-	9.06	10.65	-	-	-	-		
	Mr. Rahul L. Kanodia	-	-	-	-	9.29	13.29	-	-	-	-		
	Mr. Sameer L. Kanodia	-	-	-	-	0.19	1.82	-	-	-	-		
vii	Salaries and allowances*	-	-	-	-	17.37	15.51	3.41	3.30	-	-		
	Ms. Divya Kumat	-	-	-	-	9.40	8.32	-	-	-	-		
	Mr. Sandeep Mantri	-	-	-	-	7.96	7.19	-	-	-	-		
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	3.41	3.30	-	-		
viii	Commission	-	-	-	-	10.96	8.38	0.27	0.25	-	-		
	Dr. Lalit S. Kanodia	-	-	-	-	5.48	4.19	-	-	-	-		
	Mr. Rahul L. Kanodia	-	-	-	-	5.48	4.19	-	-	-	-		
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.27	0.25	-	-		
ix	Board sitting fees	-	-	-	-	-	-	0.18	0.14	-	-		
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.18	0.14	-	-		

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

Sr. No.	Particulars	(₹ in millions)									
		(i) A		(i) B		(i) C		(i) D		(i) E	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
x	<b>Corporate guarantee fees</b>	0.60	0.96	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	0.60	0.96	-	-	-	-	-	-	-	-
xi	<b>Dividend income</b>	-	-	50.50	10.71	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	50.50	10.71	-	-	-	-	-	-
xii	<b>Dividend Paid</b>	-	-	-	-	-	4.95	-	4.78	-	31.81
	Dr. Lalit S. Kanodia	-	-	-	-	-	3.48	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	-	1.47	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	-	3.31	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	-	1.47	-	-
	Delta Infosolutions Private Limited	-	-	-	-	-	-	-	-	-	31.81
xiii	<b>Loans and advances refunded during the year</b>	171.13	34.68	1.51	-	-	-	-	-	-	-
	Datamatics Infotech Limited	3.30	4.47	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	6.10	14.07	-	-	-	-	-	-	-	-
	Datamatics Global Services Inc.	13.25	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	0.04	-	-	-	-	-	-	-	-	-
	Datamatics Global Services BV.	0.16	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	0.01	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.47	193	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	147.79	13.95	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	1.51	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	0.00	0.26	-	-	-	-	-	-	-	-
xiv	<b>Loans and advances given during the year</b>	14.02	164.66	1.15	1.55	-	-	-	0.60	-	-
	Datamatics Global Services Inc.	0.17	1.03	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	-	0.01	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	3.13	142.18	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	2.25	4.71	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	0.62	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.03	1.57	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	7.35	15.10	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	0.00	0.05	-	-	-	-	-	-	-	-
	Cignex Datamatics Pte. Limited	-	0.01	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	1.15	1.55	-	-	-	-	-	-
	Datamatics Staffing Services Limited	0.47	-	-	-	-	-	-	-	-	-
	Datamatics Infotech Services Private Limited	-	-	-	-	-	-	-	0.60	-	-
xv	<b>Investment in capital of subsidiaries</b>	477.70	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	171.00	-	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	134.70	-	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	172.00	-	-	-	-	-	-	-	-	-
xvii	<b>Redemption of preference shares</b>	671.45	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	509.76	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	167.69	-	-	-	-	-	-	-	-	-
xviii	<b>Interest Income</b>	2.62	6.69	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	1.10	5.36	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	1.51	1.33	-	-	-	-	-	-	-	-



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

Details of transactions with the related parties stated in (i) above :											
Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(ii)	Balance as at March 31										
	Loans and advances receivable										
	Datamatics Global Services Inc.	28.17	184.96	1.74	2.10	-	-	0.60	0.60	-	-
	Cignex Datamatics Pte. Limited	-	13.08	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	0.04	-	-	-	-	-	-	-	-
	Datamatics Global Services BV	18.47	18.00	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	0.16	-	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	2.85	1.60	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	-	1.06	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	1.18	0.56	-	-	-	-	-	-	-	-
	Lumina Datamatics GmbH	0.05	0.05	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	0.05	0.06	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.11	0.54	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	5.30	14.996	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	1.74	2.10	-	-	-	-	-	-
	Datamatics Infotech Services Private Limited	-	-	-	-	-	-	0.60	0.60	-	-
	Payables	229.03	211.42	-	-	10.96	8.38	0.42	0.25	-	-
	Datamatics Global Services Inc.	214.87	202.33	-	-	-	-	-	-	-	-
	Datamatics Global Technologies AG	3.64	1.02	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	10.51	8.07	-	-	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	0.15	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	5.48	4.19	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	5.48	4.19	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.27	0.25	-	-
	Receivables	457.41	366.08	-	0.53	-	-	1.84	2.11	-	-
	Datamatics Global Services Inc.	295.80	144.04	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	5.42	12.86	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	132.68	140.83	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	0.08	1.37	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	16.35	-	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	3.07	11.83	-	-	-	-	-	-	-	-
	Datamatics Global Services BV.	0.06	-	-	-	-	-	-	-	-	-
	Techjini Inc	-	51.11	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	-	1.38	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	-	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	1.98	2.67	-	-	-	-	-	-	-	-
	Lumina Datamatics, Inc.	1.90	-	-	-	-	-	-	-	-	-
	LDR e-Retail Limited	0.07	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	0.53	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	1.84	2.11	-	-
iv	Interest receivable	1.40	6.69	-	-	-	-	-	-	-	-
	Datamatics Robotics Software Limited	-	5.36	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	1.40	1.33	-	-	-	-	-	-	-	-
	Guarantees	-	48.00	-	-	-	-	-	-	-	-
v	Cignex Datamatics Technologies Limited	-	48.00	-	-	-	-	-	-	-	-

\* Above figures does not include gratuity, leave encashment, mediclaim and term life insurance as separate actuarial valuation / premium figures are not available.

\* Above figures does not include gratuity, leave encashment, mediclaim and term life insurance as separate actuarial valuation / premium figures are not available.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## Note 40: 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.

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
<b>I. Defined Contribution Plan</b>		
<b>Charge to the Statement of Profit and Loss based on contributions:</b>		
Employers contribution to provident fund	126.11	122.44
Employers contribution to employees' state insurance	11.10	12.36
Employers contribution to labour welfare fund and others	0.24	0.26
Included in contribution to provident fund and other funds (Refer Note No.31)	<b>137.45</b>	<b>135.06</b>

## II. Defined Benefit Plan

### i) Movement in Present Value of Obligation

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Present Value of Obligation as at the beginning	140.99	98.92	56.80	45.75
Present Value of Obligation transfer In	-	9.41	-	7.25
Current Service Cost	20.06	17.45	47.14	21.62
Interest Expense or Cost	9.65	8.31	3.89	4.06
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	-	(0.11)	(31.79)	(0.03)
- change in financial assumptions	3.39	13.31	2.27	4.62
- experience variance (i.e. actual experience vs assumptions)	(14.39)	23.91	27.60	(10.49)
Past Service Cost	-	-	(17.77)	-
Benefits Paid	(14.67)	(30.22)	(18.48)	(15.97)
Acquisition adjustment	-	-	-	-
Present Value of Obligation as at the end	145.04	140.99	69.66	56.80
Present Value of Obligation as at the end - Current	19.22	20.63	19.40	14.42
Present Value of Obligation as at the end - Non - Current	125.82	120.36	50.26	42.39

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## ii) Expenses recognised in the income statement and other comprehensive income

(₹ in millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current service cost	20.06	17.45	47.14	21.62
Past service cost	-	-	(17.77)	-
Net interest cost on the net defined benefit liability	9.65	8.31	3.89	4.06
Actuarial (gains) / losses	-	-	(1.92)	(5.91)
Expenses recognised in Profit & Loss Account	29.71	25.75	31.33	19.78
Other Comprehensive Income				
Actuarial (gains) / losses				
- Change in demographic assumptions	-	(0.11)	-	-
- Change in financial assumptions	3.39	13.31	-	-
- Experience variance	(14.39)	23.91	-	-
Expenses recognised in OCI	(10.99)	37.12	-	-

## iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount Rate (per annum)	6.65%	6.30%-6.85%	6.65%	6.30%-6.85%
Salary growth rate (per annum)	4.50%	4.50%	4.50%	4.50%
Mortality Rate	IALM 12-14	IALM 12-14	IALM 12-14	IALM 12-14

## iv) Sensitivity Analysis

(₹ in millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate (- / + 0.5%)	154.12	136.80	151.07	121.02
Salary growth rate (- / + 0.5%)	136.60	154.27	131.88	135.51
Attrition rate (- / + 25%)	146.36	143.87	142.53	127.13
Mortality rate (- / + 10%)	144.92	145.16	140.86	127.97

## Sensitivity Analysis

(₹ in millions)

Particulars	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount rate (- / + 1%)	76.93	63.68	62.83	40.46
Salary growth rate (- / + 1%)	63.52	77.01	51.70	48.82
Attrition rate (- / + 50%)	64.83	72.94	53.11	46.08
Mortality rate (- / + 10%)	69.62	69.69	56.77	44.24

## v) Maturity profile of Defined Benefit obligation

(₹ in millions)

Expected Cash flow over the next (valued on undiscounted basis)	Gratuity		Leave encashment	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
1 Year	19.22	20.62	19.40	14.41
2 to 5 years	27.06	26.47	19.08	16.10
6 to 10 years	44.10	41.75	13.00	11.88
More than 10 years	307.02	301.94	116.70	97.46

Note - Datamatics Digital Limited has been merged with the company effect from June 1, 2019 as per NCLT order no. CP (CAA) 970/30-232/MB/2020 dated November 06, 2020. The above disclosure are the combined disclosure of the company and Datamatics Digital Limited for the full financial year.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## Note 41: Leases

### a) Non-cancellable operating leases

The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 34. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Rental expense relating to operating leases		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
Total rental expense relating to operating leases	20.38	57.62

## Note 42: Investment in subsidiaries

The Company has an investment in the financial statements of Rs. 646.52 million (Previous year Rs. 646.30 million) in two of its wholly owned subsidiaries and has also extended advances of Rs. 0.05 million (Previous year Rs. 13.14 million) to these subsidiaries as on March 31, 2021. The net worth of these subsidiaries as on March 31, 2021 is Rs. 509.11 million (Previous year Rs. 539.57 million) which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future and hence, no provision for diminution in the value of investment and advances has been considered necessary by the management.

## Note 43: Earnings per share

		(₹ in millions)
Particulars	March 31, 2021	March 31, 2020
(a) Net Profit after taxation attributable to equity shareholders (Rs. in millions)	563.10	403.13
(b) Weighted average number of outstanding equity shares considered for		
Basic and Diluted EPS (Nos.)	5,89,49,337	5,89,49,337
(c) Earnings per share		
(Nominal value per share Rs. 5 each)		
Basic and Diluted earnings per share (in Rs.) (a/b)	9.55	6.84

## Note 44: Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

		(₹ in millions)
Contingent Liabilities to the extent not provided for:	March 31, 2021	March 31, 2020
(a) Claims against the Company not acknowledged as debt:		
(i) Income Tax matters	17.74	17.74
(b) Details of guarantees outstanding as at:		
(i) Corporate guarantees provided to banks against credit facilities extended to subsidiaries and joint venture	-	48.00
(ii) Guarantees given by banks	469.90	447.72
(c) Capital and other commitments:		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	-	-

# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 45: Forward contracts in foreign currencies

The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
Not later than one month	95.54	113.53
Later than one month and not later than three months	176.26	227.33
Later than three months and not later than one year	874.29	956.91
Later than one year	581.38	891.39
<b>Total</b>	<b>1,727.47</b>	<b>2,189.16</b>

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(₹ in millions)

Foreign Currency	March 31, 2021			March 31, 2020		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	129	11.00	(25.37)	195	15.72	(36.38)
Sterling Pound	100	8.49	23.42	149	9.97	23.08
<b>Total</b>			<b>(1.94)</b>			<b>(13.30)</b>

Net gain / (loss) on derivative instruments of Rs. (1.94) million (FY 2019-20 Rs. (13.30) million) recognised in Hedging Reserve as of March 31, 2021, is expected to be reclassified to the Statement of Profit and Loss by December 31, 2022.

## Note 46: Segment Information

The company publishes standalone financial statements of the company along with the consolidated financial statements. In accordance with Ind AS 108 – Operating segments, the company has disclosed the segment information in the consolidated financial statements.

## Note 47: Auditor's Remuneration

(₹ in millions)

Particulars	March 31, 2021	March 31, 2020
For services as auditors, including quarterly audits	2.93	3.59
For tax audit	0.23	0.29
For other services	0.71	0.32
<b>Total</b>	<b>3.86</b>	<b>4.20</b>

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

## Note 48: Loans and advances to Subsidiaries consist of following

(₹ in millions)

Particulars	Balance Outstanding as on March 31, 2021	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2020	Maximum amount outstanding during the year
Datamatics Global Services Inc. *	-	13.08	13.08	13.43
Datamatics Infotech Limited *	-	1.06	1.06	5.07
Datamatics Global Services Pty Limited *	1.18	1.45	0.56	0.72
Datamatics Global Technologies AG *	0.05	0.06	0.06	0.06
Lumina Datamatics Limited *	0.11	20.68	0.54	1.23
Datamatics Global Services FZ LLC *	2.85	3.33	1.60	12.33
Datamatics Global Services B.V. *	0.16	0.16	-	-
Lumina Datamatics GmbH *	0.05	0.05	0.05	0.05
Cignex Datamatics Pte. Ltd. *	-	0.04	0.04	0.04
Datamatics Robotics Software Limited *	5.30	21.12	20.66	21.72
Datamatics Robotics Software Limited	-	-	129.30	129.30
Datamatics Staffing Services Limited	18.00	18.00	18.00	18.00
Datamatics Staffing Services Limited *	0.47	0.47	0.00	0.26
<b>TOTAL</b>	<b>28.17</b>	<b>79.51</b>	<b>184.95</b>	<b>202.21</b>

\* Interest free advances.

## Note 49: Loans and advances to Subsidiaries consist of following

(₹ in Millions)

a) Loans given	March 31, 2021	March 31, 2020
Datamatics Robotics Software Limited	-	129.30
Datamatics Staffing Services Limited	-	18.00

b) Investments made	March 31, 2021	March 31, 2020
There are no investments by Company other than those stated under Note 4 and Note 10 in the financial statements.	-	-

(₹ in Millions)

c) Guarantees given	March 31, 2021	March 31, 2020
To secure obligations of subsidiaries – Guarantees to banks	-	48.00

d) Securities given	March 31, 2021	March 31, 2020
There are no securities given during the year.	-	-



# Notes Forming part of the Standalone Financial Statements

as at March 31, 2021

## Note 50: Revenue from contract with major customers

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2021 and March 31, 2020.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Particulars	(₹ in millions)	
	March 31, 2021	March 31, 2020
Balance at beginning of the year	176.04	44.13
Revenue recognised during the year	260.38	250.23
Invoices raised during the year	182.73	118.32
Balance at the end of the year	253.68	176.04

## Note 51: Merger of Datamatics Digital limited with company

The Company had earlier stake in Datamatics Digital Limited (formerly known as Techjini Solutions Private Limited) ("DDL") various tranches and owned 81.09% stake in DDL as on 1 April 2019. Thereafter, the Company had acquired the balance 18.91% stake on 14 May 2019, thereby making DDL a wholly owned subsidiary of the Company. Thereafter, vide Board Meeting dated 13 November 2019, the Company had approved the amalgamation of DDL with itself through a Scheme of Arrangement u/s 230-232 of the Companies Act, 2013 ("Scheme") with an Appointed Date of 1 June 2019.

Since DDL is a wholly owned subsidiary of the Company, no further shares would be required to be issued by the Company to the shareholders of DDL since the entire share capital of DDL is held by the Company. Further, since this Scheme provides for amalgamation of a wholly owned subsidiary with its 100% holding company, the requirement of obtaining a No Objection Letter from the stock exchanges and SEBI under SEBI Circular dated 10 March 2017 was not applicable. However, for the purposes of disclosure, the Company had filed a copy of the board resolution and draft Scheme with the stock exchanges.

Subsequent to the above, the Company had filed an application (C.A. (CAA) No. 3749 of 2019) with the National Company Law Tribunal, Mumbai Bench, ("NCLT") for seeking dispensation for convening meeting of shareholders and the creditors of the Company and DDL and also seeking directions to, inter alia, serve notices to various regulatory authorities viz., the concerned Income-tax Authority, the Regional Director, Western Region, Mumbai, the Registrar of Companies, Mumbai, the Official Liquidator, Mumbai (insofar as DDL is concerned) and SEBI and the stock exchanges (insofar as the Company is concerned). The NCLT was pleased to dispense with the meeting of the shareholders and the creditors of the Company and DDL and also direct the Company and DDL to, inter alia, serve notices as above, vide its order dated 20 February 2020.

DDL was partly acquired by DGSL from an unrelated party in FY 2018-19 and partly in FY 2019-20 such that DDL became a wholly owned subsidiary of DGSL on May 15, 2019 (i.e. prior to the Appointed Date, being 1 June 2019). In line with the earlier intention of DGSL, it was contemplated by DGSL to merge DDL with itself, immediately subsequent to the acquisition of 100% in DDL by DGSL. Therefore, the intermediate step of acquisition of shares along with the subsequent intention to merge DDL with DGSL is considered to be a single business combination. In the context of a composite arrangement of acquisition of shares of DDL from an unrelated party followed by a merger of DDL with DGSL, DGSL has applied "acquisition method" of accounting under Ind AS 103 to account for the said acquisition of DDL by DGSL so as to represent genuine substantive business combination of DDL (previous controlled by unrelated parties) with DGSL.

The Company and DDL have complied with all the requisite filings as per directions of the National Company Law Tribunal, Mumbai Bench ("NCLT"). The NCLT has approved the merger of DDL with the Company vide order no. CP (CAA) 970/30-232/MB/2020 dated November 06, 2020. In view thereof, since the merger of DDL with DGSL is effective from June 01, 2019 i.e. the appointed date, the accounting effect of the merger was given during the current year w.e.f. the appointed date. Consequently, all relevant figures of the previous year ended March 31, 2020 pertaining to the standalone financial statements have been restated.

The NCLT has passed the order of DGSL-DDL merger vide order no. CP (CAA) 970/30-232/MB/2020 dated November 06, 2020. Hence the books of DDL has been merged with DGSL w.e.f. June 1, 2019. Following is the calculation of goodwill arising out of transaction.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2021

Particulars	(₹ in millions)
	Amount
Property, Plant and Equipments (including Intangible Assets)	8.92
Investments	146.86
Cash and Bank Balance	9.47
Other financial assets	6.75
Loans and advances	18.95
Deferred tax assets	19.66
Other assets	87.90
Trade Payable	(8.80)
Other current liabilities	(4.42)
Provisions	(17.21)
Net Assets	268.08
Less: Investment in Datamatics Digital Limited	(555.11)
Goodwill	287.02

## Note 52: Impairment

As per Companies (Accounting Standards) Rules, 2013 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 2013, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

## Note 53: Transfer pricing

The Management is of the opinion that its international transactions are at arm's length as per the independent accountants certificate for the year ended March 31, 2021. The Management continues to believe that its international transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

## Note 54: Code on Social Security, 2020

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

## Note 55: 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, goodwill, intangibles, 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 standalone financial statements and the company will continue to closely monitor any material changes to the economic conditions in the future.

## Note 56: Previous year's figures

Previous year figures have been appropriately regrouped / reclassified and rearranged wherever necessary to conform to the current year's presentation.

As per our attached report of even date  
For **M L BHUWANIA AND CO LLP**  
Chartered Accountants  
FRN: 101484W/W100197

**Ashishkumar Bairagra**  
Partner  
Membership No. 109931

Place : Mumbai  
Dated : May 26, 2021

### For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer



Statement pursuant to first provision to sub Section 3 of Section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rule, 2014 in the prescribed Form AOC-1 relating to Subsidiary Companies.

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Equity	Other Equity	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit / (Loss) before taxation (2)	Provision for taxation (2)	Profit / (Loss) after taxation (2)	Proposed dividend	Percentage of Shareholding	Country
1	Datamatics Global Services Inc	USD	73.11	2,065.05	(1,556.76)	1,171.12	662.83	79.58	1,803.74	(37.52)	2.67	(40.19)	-	100.00%	USA
2	Datamatics Infotech Limited	GBP	100.72	2.01	356.03	562.98	204.94	-	1,068.41	106.42	23.37	83.05	-	100.00%	UK
3	Datamatics Global Services Pty. Limited	AUD	55.52	2.78	32.77	40.58	5.03	-	43.35	18.29	3.87	14.41	-	100.00%	Australia
4	Datamatics Global Technologies Limited	USD	73.11	73.11	172.89	650.86	404.86	-	4.75	81.82	0.14	81.68	-	100.00%	Mauritius
5	Datamatics Global Services Corp	PHP	1.51	15.10	(4.10)	113.35	102.35	3.70	-	(0.41)	(0.99)	0.59	-	100.00%	Philippines
6	Datamatics Global Services FZ LLC	AED	1990	1.00	13727	166.44	28.17	-	162.55	13.77	-	13.77	-	100.00%	Dubai
7	Datamatics Global Technologies AG	CHF	77.48	3.87	(3.05)	4.09	3.26	-	15.81	0.19	-	0.19	-	100.00%	Switzerland
8	Datamatics Robotics Software Inc	USD	73.11	0.74	4.22	27.45	22.50	10.37	17.98	0.81	-	0.81	-	92.97%	USA
9	Datamatics Robotics Software Limited	INR	1.00	10.00	(171.37)	187.64	349.01	-	79.52	(144.30)	(35.86)	(108.45)	-	92.97%	India
10	Datamatics Global Services BV	EUR	85.75	2.14	0.40	3.88	1.33	-	2.84	0.57	-	0.57	-	100.00%	Netherlands
11	Datamatics Staffing Services Limited	INR	1.00	1.00	7.28	38.34	30.07	5.62	56.28	(4.37)	(1.13)	(3.24)	-	51.00%	India
12	LD Publishing and eRetail Limited	INR	1.00	-	-	-	-	-	-	0.03	-	0.03	-	100.00%	India
13	RJ Globus Solutions Inc	PHP	1.51	0.38	498.6	293.41	243.17	0.79	985.80	50.57	-	50.57	-	100.00%	Philippines
14	RJ Globus Inc	USD	73.11	0.73	(0.08)	0.66	-	0.12	-	(0.03)	-	(0.03)	-	100.00%	USA
15	RJ Globus Solutions Private Limited	INR	1.00	0.10	(0.01)	0.10	0.01	-	-	-	-	-	-	100.00%	India
16	Lumina Datamatics Limited	INR	1.00	107.79	2,664.31	3,053.97	281.87	2,123.37	1,767.19	581.76	104.97	476.79	-	100.00%	India
17	Lumina Datamatics Inc	USD	73.11	2,142.89	(1,654.19)	955.35	466.65	53.92	2,332.96	(182.39)	11.60	(193.99)	-	100.00%	USA
18	Lumina Datamatics GmbH	EUR	85.75	17.15	2.40	23.76	4.20	-	36.52	0.83	0.22	0.62	-	100.00%	Germany
19	LDR eRetail Limited	INR	1.00	0.50	24.01	27.56	3.06	20.58	23.85	6.55	0.04	6.50	-	100.00%	India
20	Lumina Datamatics Assessment & Analytics, LLC	USD	73.11	115.83	(214.26)	15.33	113.76	-	9.70	(28.98)	-	(28.98)	-	65.00%	USA
21	Cignex Datamatics Corporation	USD	73.11	-	-	-	-	-	-	(0.08)	-	(0.08)	-	62.51%	BVI
22	Cignex Datamatics Inc	USD	73.11	-	-	-	-	-	930.09	138.64	44.89	93.75	-	62.51%	USA
23	Cignex Datamatics Technologies Limited	INR	1.00	-	-	-	-	-	631.71	51.83	14.77	37.06	-	62.51%	India
24	Cignex Datamatics Pre. Limited	SGD	54.40	-	-	-	-	-	5.94	0.54	0.00	0.54	-	62.51%	Singapore
25	Cignex Datamatics GmbH	EUR	85.75	-	-	-	-	-	-	(0.46)	0.07	(0.54)	-	62.51%	Germany
26	Cybercom Datamatics Information Solutions Limited	INR	1.00	8.48	53.78	68.63	6.36	21.71	44.43	8.51	0.02	8.49	-	50.50%	India

Notes:

1. Indian rupee equivalents of the figures given in foreign currencies in the accounts of the Subsidiary Companies, are based on the exchange rates as on March 31, 2021.
2. Converted at monthly average exchange rates.
3. Investments represents investments other than investments in subsidiaries.
4. The reporting period for all the Subsidiaries is March 31, 2021.

### For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

**Rahul L. Kanodia**  
Vice Chairman & CEO  
DIN 00075801

**R. K. Saraswat**  
Director  
DIN 00015095

Place : Mumbai

Date : May 26, 2021

**Divya Kumari**  
EVP, Chief Legal Officer & Company Secretary

**Sandeep Mantri**  
Chief Financial Officer

**DATAMATICS**

## INDEPENDENT AUDITORS' REPORT

To the Members of DELTA INFOSOLUTIONS PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the Standalone Financial Statements of **DELTA INFOSOLUTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### 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 Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the 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.

### **Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud





is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

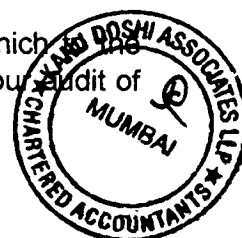
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which, in the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Standalone Financial Statements.



- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone 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), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Standalone Financial Statements.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- f) This Report does not contain a statement with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, as per Clause(i) of section 143(3) of the act as, in our opinion, and according to the information and explanations given to us, the clause is not applicable in the case of the company.
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 material foreseeable losses on long-term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For Kanu Doshi Associates LLP  
Chartered Accountants  
FRN. No. 104746W/W100098



Kunal Vakharia  
Partner  
Membership no. 148916  
UDIN: 19148916AAAADP8905

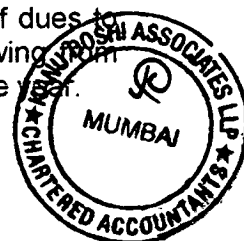


Place: Mumbai  
Date: September 03, 2019

## ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of DELTA INFOSOLUTIONS PRIVATE LIMITED for the year ended March 31, 2019

- i. The Company does not possess any fixed assets. Accordingly clause 3(i) of the order is not applicable.
- ii. The Company's nature of operations does not require it to hold inventories. Accordingly, clause 3(ii) of the order is not applicable.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) & (b) of clause 3(iii) of the order are not applicable to the Company.
- iv. According to information and explanation provided to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act, for any of the products of the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, cess, Goods & Service Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2019 for a period of more than six months from the date they became payable.  
  
(b) As informed to us, there were no disputed amounts payable in respect of Income Tax, Goods and Service Tax, Custom Duty, cess and any other material statutory dues in arrears, as at March 31, 2019.
- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.



- ix. The Company has not raised any money by way of public issue/ further offer including debt instruments.
- 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. The company has not paid any managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013. Consequently, clause (xi) of the order is not applicable.
- 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 statue 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 Standalone Financial Statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to obtain registration under Section 45IA of the Reserve Bank of India Act, 1934 and therefore clause 3(xvi) of the Order is not applicable.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm registration No: 104746W/W100096



Kunal Vakharia  
Partner

Membership No: 148860  
UDIN: 19148916AAAADP8905



Place: Mumbai  
Date: September 03, 2019

**DELTA INFOSOLUTIONS PRIVATE LIMITED**

Financial statements as at and for year ended March 31, 2019

Standalone balance sheet as at

(Amount in Rs.)

Particulars	Note	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
i. Investments	2	154,962,395	287,779,256
Deferred tax assets	12(a)	13,442,466	5,906,935
Non-current tax assets		2,397,657	228,250
<b>Total non-current assets</b>		<b>170,802,518</b>	<b>293,914,441</b>
<b>Current assets</b>			
Financial assets			
i. Investments	3	295,340,728	104,651,968
ii. Cash and cash equivalents	4	178,238	7,944,595
iii. Other financial assets	5	11,344	34,275,566
Other current assets	6	210,171	4,334
<b>Total current assets</b>		<b>295,740,481</b>	<b>146,876,463</b>
<b>Total assets</b>		<b>466,542,999</b>	<b>440,790,904</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7(a)	120,000	120,000
Other equity	7(b)	466,313,861	440,471,580
<b>Total equity</b>		<b>466,433,861</b>	<b>440,591,580</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	8	93,185	188,971
Other current liabilities	9	15,953	10,353
<b>Total current liabilities</b>		<b>109,138</b>	<b>199,324</b>
<b>Total liabilities</b>		<b>109,138</b>	<b>199,324</b>
<b>Total equity and liabilities</b>		<b>466,542,999</b>	<b>440,790,904</b>

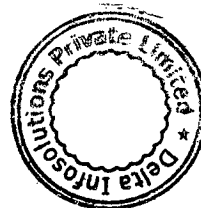
The accompanying notes forming an integral part of the financial statements 1 - 23

As per our attached report of even date  
 For Kunal Doshi Associates LLP  
 Chartered Accountants  
 Firm Registration No. 104746W/W100096

For and on behalf of the Board



Kunal Vakharia  
 Partner  
 Membership No. 148916



Dr. Lalit S. Kanodia  
 Chairman  
 DIN 0008050



Rahul L. Kanodia  
 Director  
 DIN 00075801

UDIN : 19148916 AAAA DP8905

Place : Mumbai  
 Date : September 3, 2019

**DELTA INFOSOLUTIONS PRIVATE LIMITED**

Financial statements as at and for year ended March 31, 2019

**Standalone statement of profit and loss for the year ended**

(Amount in Rs.)

Particulars	Note	Year ended March 31, 2019	Year ended March 31, 2018
Other income	10	31,232,546	80,700,943
<b>Total income</b>		<b>31,232,546</b>	<b>80,700,943</b>
<b>Expenses</b>			
Other expenses	11	1,842,605	1,353,486
<b>Total expenses</b>		<b>1,842,605</b>	<b>1,353,486</b>
<b>Profit before tax</b>		<b>29,389,941</b>	<b>79,347,457</b>
Income tax expense			
- Current tax	12(a)	2,033,499	8,050,000
- Deferred tax	12(a)	(4,147,134)	(5,414,297)
<b>Total tax expense/(credit)</b>		<b>(2,113,635)</b>	<b>2,635,703</b>
<b>Profit for the year</b>		<b>31,503,576</b>	<b>76,711,754</b>

*Items that will not be reclassified to profit or loss*

Fair Value gain on FVOCI investments		2,288,704	(16,039,881)
		<b>2,288,704</b>	<b>(16,039,881)</b>
<b>OCI for the year</b>		<b>2,288,704</b>	<b>(16,039,881)</b>
<b>Total comprehensive income for the year</b>		<b>33,792,280</b>	<b>60,671,874</b>

Earning per share (Face value Rs. 1 each)

- Basic and Diluted (in Rs.)	18	262.53	639.26
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The accompanying notes forming an integral part of the financial statements 1 - 23

As per our attached report of even date

**For Kanu Doshi Associates LLP**

Chartered Accountants

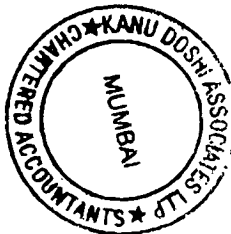
Firm Registration No. 104746W/W100096

*Kunal*

Kunal Vakharia

Partner

Membership No. 148916



UDIN: 19148916 AAAA DP8905

Place : Mumbai

Date : September 3, 2019

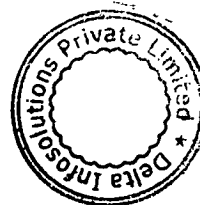
For and on behalf of the Board

*Lalit S. Kanodia*

**Dr. Lalit S. Kanodia**

Chairman

DIN 00008050



*Rahul L. Kanodia*

**Rahul L. Kanodia**

Director

DIN 00075801



DELTA INFOSOLUTIONS PRIVATE LIMITED  
Financial statements as at and for year ended March 31, 2019

Statement of changes in equity for year ended March 31, 2019

A. Equity share capital

Particulars	Amount in Rs.
As at March 31, 2018	120,000
Changes in equity share capital	
As at March 31, 2019	120,000

B. Other equity

(Amount in Rs.)

Particulars	Attributable to owners of Delta Infosolutions Private Limited				Total
	Reserves and surplus		Other reserves		
	Retained earnings	General reserve	FVOCI - Equity investments	Total other equity	
As at March 31, 2017	98,834,483	320,325,224	-	419,159,707	419,159,707
Profit for the year	76,711,754			76,711,754	76,711,754
Other comprehensive income			(16,039,881)	(16,039,881)	(16,039,881)
Total comprehensive income for the year	76,711,754	-	(16,039,881)	60,671,874	60,671,874
Interim Dividend on Equity shares	(39,360,000)			(39,360,000)	(39,360,000)
As at March 31, 2018	136,186,237	320,325,224	(16,039,881)	440,471,580	440,471,580
Profit for the year	31,503,576			31,503,576	31,503,576
Other comprehensive income			2,288,704	2,288,704	2,288,704
Total comprehensive income for the year	31,503,576	-	2,288,704	33,792,280	33,792,280
Interim Dividend on Equity shares	(7,950,000)			(7,950,000)	(7,950,000)
As at March 31, 2019	159,739,813	320,325,224	(13,751,176)	466,313,861	466,313,861

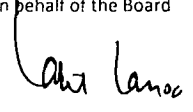
As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096



Kunal Vakharia  
Partner  
Membership No. 148916



For and on behalf of the Board

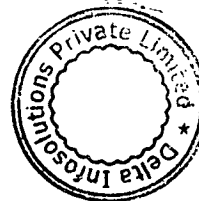
  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050



Rahul L. Kanodia  
Director  
DIN 00075801

UDIN : 19148916 AAAADP 8905

Place : Mumbai  
Date : September 3, 2019



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Cash flow statement for the year ended March 31, 2019

(Amount in Rs.)

	March 31, 2019	March 31, 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	29,389,941	79,347,457
<b>Adjustments for :</b>		
Unrealised loss / (gain) on fair value of financial assets	(19,250,339)	966,286
Profit from partnership firm	-	(2,639,745)
Profit on sale of investments	(3,766,563)	(35,989,025)
<b>Operating profit before working capital changes</b>	<b>6,373,040</b>	<b>41,684,973</b>
<b>Adjustments for :</b>		
Decrease / (Increase) in other financial and non-financial assets	34,058,385	(2,596,402)
(Decrease) / Increase in trade payables	(95,786)	54,194
(Decrease) / Increase in other financial liabilities	5,600	(9,832)
<b>Cash generated from operations</b>	<b>40,341,239</b>	<b>39,132,933</b>
Direct taxes paid (net)	(7,591,303)	(7,764,166)
<b>Net cash flow from operating activities (A)</b>	<b>32,749,936</b>	<b>31,368,767</b>
<b>B. Cash flow from investing activities</b>		
(Purchase) / Sale of long-term investments	132,816,861	(15,599,225)
Sale / (Purchase) of current investments	(165,383,155)	25,517,616
Profit from partnership firm	-	2,639,745
<b>Net cash flow used in investing activities (B)</b>	<b>(32,566,293)</b>	<b>12,558,137</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid	(7,950,000)	(39,360,000)
<b>Net cash flow used in financing activities (C)</b>	<b>(7,950,000)</b>	<b>(39,360,000)</b>
Net cash flow during the year (A+B+C)	(7,766,357)	4,566,904
Cash and cash equivalents at the beginning of the year	7,944,595	3,377,691
<b>Net cash and cash equivalents at the end of the year</b>	<b>178,238</b>	<b>7,944,595</b>

**Note:-**

- 1) Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- 2) Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned of Rs. 7,478 (Rs. 2,202,477) and dividend earned of Rs. 8,208,167 (Rs. 40,835,982) have been considered as a part of "Cash flow from operating activities".
- 3) Previous year figures have been regrouped / reclassified wherever considered necessary.

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096



Kunal Vakharia  
Partner  
Membership No. 148916



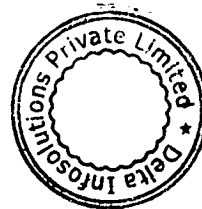
UDIN : 19148916 AAAADP8905

Place : Mumbai  
Date : September 3, 2019

For and on behalf of the Board



Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050





Rahul L. Kanodia  
Director  
DIN 00075801

**Note 1: Significant accounting policies**

**a) Basis of preparation**

**i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**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) and contingent consideration that is measured at fair value;

\* assets held for sale – measured at fair value less cost to sell;

\* defined benefit plans – plan assets measured at fair value; and

\* share-based payments

**b) Revenue recognition**

Revenue is accounted for on accrual basis. Dividend income is recognised when right to receive dividend is established. Profit on sale of investment is recognised on sale of investments.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**c) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

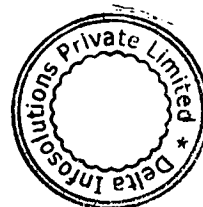
Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**d) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or companies of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.



e) **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet

f) **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. Investment in subsidiary is accounted on historical cost.

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.

**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.

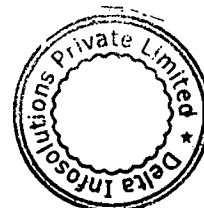
**Equity instruments**

The company subsequently measures all equity investments at fair value. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) **Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.



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.

g) **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.

h) **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 and are usually paid within 30 days of recognition. 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.

i) **Provisions**

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

j) **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.

k) **Dividends**

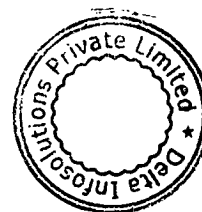
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

l) **Earnings per share**

Basic earnings per share

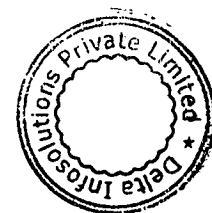
Basic earnings per share is calculated by dividing:

- \* the profit attributable to owners of the company
- \* by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 17)



Note 2 - Non-current investments		(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018	
<b>Investment in equity instruments (fully paid-up)</b>			
<b>In subsidiaries</b>			
31,813,742 (31,813,742) Equity Shares of Rs. 5/- each of Datamatics Global Services Limited fully paid	144,996,265	144,996,265	
<b>Investment in equity instruments (fully paid-up)</b>			
<b>Quoted</b>			
Nil (3,510) Equity Shares of Rs. 10/- each of Jyothi Laboratories Limited	-	1,389,434	
Nil (17,978) Equity Shares of Rs. 10/- each of Power Grid Corporation of India Limited	-	3,485,035	
Nil (40,000) Equity Shares of Rs. 10/- RBL Bank Limited	-	19,194,000	
Nil (1,000) April 16 1,000 Equity Shares of Rs. 2/- HDFC Bank Limited	-	1,886,100	
Nil (3,100) Equity Shares of Rs. 2/- ICICI Bank Limited	-	949,174	
<b>Investment in debentures</b>			
<b>Quoted</b>			
Nil (25) Non-Convertible Debentures of Rs. 100,000/- each of Edelweiss Finance & Investments Limited	-	3,583,000	
<b>Investment in bonds</b>			
<b>Quoted</b>			
Nil (1,000) 8.14% Housing and Urban Development Corporation Limited Bonds of Rs. 1,000/- each	-	1,091,600	
<b>Investment in mutual funds</b>			
<b>Quoted</b>			
9,32,923 (9,32,923) Units of IIFL Income Opportunities Fund Special Situation	6,141,030	6,755,576	
Nil (65,509) Units of Birla SL Frontline Equity Fund - Growth	-	13,706,456	
Nil (355,917) Units of ICICI Pru Focused BlueChip Equity Fund - Reg - Growth	-	13,752,625	
Nil (12,364) Units of Franklin India Prima Plus- Growth	-	6,966,178	
Nil (102,993) Units of Kotak Emerging Fund - Growth	-	4,015,386	
Nil (12,687) Units of Reliance Banking Fund - Growth	-	3,225,114	
Nil (8,152) Units of HDFC Prudence Fund - Growth	-	3,954,355	
Nil (290,546) Units of HDFC Small and Midcap Opportunities fund - Direct - Growth	-	16,820,583	
Nil (2,531) Units of Franklin India Prima - Direct - Growth	-	2,563,278	
Nil (115,865) Units of Kotak Emerging Equity Scheme - Direct - Growth	-	4,793,910	
Nil (5,929) Units of HDFC Prudence Fund - Direct - Growth	-	3,000,137	
Nil (320,499) Units of Mirae Asset India Opportunities Fund - Regular - Growth	-	14,360,604	
Nil (497,824) Units of Kotak Medium Term Fund - Growth	-	7,184,942	
<b>Investment in debentures</b>			
<b>Unquoted</b>			
622 (622) Secured Redeemable Non-Convertible Debentures of Rs. 10,000/- each of Arch Agro Industries Private Limited	1,275,100	1,275,100	
<b>Investment in preference shares</b>			
<b>Unquoted</b>			
170,000 (170,000) 14.625% Cumulative Redeemable Preference Shares of Rs. 10/- of Edelweiss Finance & Investments Limited	2,550,000	2,550,000	
<b>Investment in Partnership Firm</b>			
Datascan Services	-	429,450	
India Realty Excellence Fund II LLP - Capital Account	-	5,490,146	
India Realty Excellence Fund II LLP - Current Account	-	360,808	
<b>Total</b>	<b>154,962,395</b>	<b>287,779,256</b>	

Note 3 - Current investments		(Amount in Rs.)	
Particulars	March 31, 2019	March 31, 2018	
<b>Investment in mutual funds</b>			
<b>Quoted</b>			
Nil (29,200) Units of MOMF Most N100 FTFR	-	14,537,220	
Nil (605) Units of Goldman Sachs Nifty Exchange Traded Scheme	-	634,796	
Nil (6,726) Units of Birla Sun Life Treasury Optimiser Plan - MDR	-	715,283	
Nil (500,000) Units of ICICI Prudential FMP Series 76 - 1185 days - Plan H - Growth	-	6,673,450	
Nil (499,251) Units of Franklin India Income Opportunities Fund - Growth	-	10,310,190	
18,927 (18,927) Units of Birla Sun Life Floating rate fund STP - Growth	4,737,070	4,373,608	
471,296 (53,180) Units of ICICI Prudential Liquid - Growth	130,274,022	13,674,506	
Nil (706,929) Units of BSI Medium Term plan Growth	-	15,536,669	
Nil (46,194) Units of Birla Sun Life Treasury Optimiser Plan - Direct - Growth	-	10,371,616	
Nil (431,248) Units of Reliance Arbitrage Advantage Fund - Direct - Growth	-	7,888,683	
28,449 (Nil) Units of Axis Liquid Fund - Direct - Growth	53,366,781	-	
356,025 (Nil) Units of Birla Sun Life Cash Plus Fund - Direct - Growth	106,962,854	-	





**Investment in Portfolio Management Services (PMS)**
**- in Equity shares**

Nil (18) Equity Shares of Rs. 10/- each of Bosch Limited	-	324,316
Nil (2,092) Equity Shares of Rs. 1/- each of City Union Bank Limited	-	360,765
Nil (162) Equity Shares of Rs. 1/- each of Colgate-Palmolive (India) Limited	-	171,218
Nil (105) Equity Shares of Rs. 10/- each of Container Corporation of India Limited	-	130,736
Nil (260) Equity Shares of Rs. 2/- each of Cummins India Limited	-	182,065
Nil (1,267) Equity Shares of Rs. 10/- each of Development Credit Bank Limited	-	204,684
Nil (40) Equity Shares of Rs. 10/- each of Eicher Motors Limited	-	1,134,906
Nil (238) Equity Shares of Rs. 1/- each of Emami Limited	-	254,386
Nil (492) Equity Shares of Rs. 5/- each of Engineers India Limited	-	77,957
Nil (28) Equity Shares of Rs. 10/- each of GlaxoSmithkline Consumer Healthcare Limited	-	170,803
Nil (1,792) Equity Shares of Rs. 10/- each of Hindustan Petroleum Corporation Limited	-	617,971
Nil (602) Equity Shares of Rs. 5/- each of Kotak Mahindra Bank Limited	-	630,776
Nil (267) Equity Shares of Rs. 2/- each of Ipca Laboratories Limited	-	175,059
Nil (1,207) Equity Shares of Rs. 1/- each of Jammu & Kashmir Bank Limited	-	72,842
Nil (719) Equity Shares of Rs. 2/- each of Max Financial Services Limited	-	326,031
Nil (32) Equity Shares of Rs. 10/- each of Page Industries Limited	-	725,906
Nil (1,276) Equity Shares of Rs. 1/- each of Voltas Limited	-	792,268
Nil (444) Equity Shares of Rs. 2/- each of Bharat Forge Limited	-	310,645
Nil (1,090) Equity Shares of Rs. 1/- each of Zee Entertainment Enterprises Limited	-	627,295
Nil (93) Equity Shares of Rs. 2/- each of Alkem Laboratories Limited	-	184,917
Nil (937) Equity Shares of Rs. 1/- each of Aegis Logistics Limited	-	243,245
Nil (393) Equity Shares of Rs. 2/- each of L&T Technology Services Limited	-	485,591
Nil (563) Equity Shares of Rs. 1/- each of Godrej Industries Limited	-	309,594
Nil (80) Equity Shares of Rs. 5/- each of Maruti Suzuki India Limited	-	708,888
Nil (397) Equity Shares of Rs. 10/- each of Bajaj Finance Limited	-	701,717
Nil (31) Equity Shares of Rs. 10/- each of Bayer Cropscience Limited	-	131,104
Nil (372) Equity Shares of Rs. 10/- each of APL Apollo Tubes Limited	-	739,090
Nil (2,087) Equity Shares of Rs. 1/- each of Century Plyboard India Limited	-	681,614
Nil (1,868) Equity Shares of Rs. 5/- each of Eveready Industries India Limited	-	700,033
Nil (704) Equity Shares of Rs. 10/- each of IFB Industries Limited	-	804,285
Nil (3,889) Equity Shares of Rs. 10/- each of J K Paper Limited	-	525,404
Nil (1,332) Equity Shares of Rs. 5/- each of J.Kumar Infraprojects Limited	-	361,505
Nil (620) Equity Shares of Rs. 10/- each of JK Cements Limited	-	629,331
Nil (2,999) Equity Shares of Rs. 1/- each of JM Financial Limited	-	386,271
Nil (717) Equity Shares of Rs. 5/- each of K.P.R. Mill Limited	-	453,538
Nil (3,403) Equity Shares of Rs. 2/- each of Manappuram Finance Limited	-	371,097
Nil (900) Equity Shares of Rs. 10/- each of Muthoot Capital Services Limited	-	672,210
Nil (342) Equity Shares of Rs. 10/- each of Neuland Laboratories Limited	-	243,059
Nil (3,026) Equity Shares of Rs. 1/- each of Skipper Limited	-	639,242
Nil (1,002) Equity Shares of Rs. 2/- each of Techno Electric & Engineering Co Limited	-	374,197
Nil (1,303) Equity Shares of Rs. 10/- each of Tejas Networks Limited	-	476,442
Nil (7,907) Equity Shares of Rs. 10/- each of Vijaya Bank	-	411,559
Nil (1,608) Equity Shares of Rs. 10/- each of VRL Logistic Limited	-	619,080
Nil (7,599) Equity Shares of Rs. 2/- each of Yes Bank Limited	-	792,305
<b>Total</b>	<b>295,340,728</b>	<b>104,651,968</b>

**Note 4 - Cash and cash equivalents**

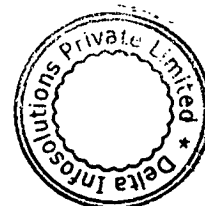
(Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Bank balances	177,758	7,944,115
Cash on hand	480	480
<b>Total</b>	<b>178,238</b>	<b>7,944,595</b>

**Note 5 - Other current financial assets**

(Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Other advances	11,344	34,275,566
<b>Total</b>	<b>11,344</b>	<b>34,275,566</b>

**Note 6 - Other current assets**

(Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Prepaid expenses	4,334	4,334
Balance with govt authorities	205,837	-
<b>Total</b>	<b>210,171</b>	<b>4,334</b>



Note 7 - Share capital and other equity

7(a) - Equity share capital

(i) Authorised equity share capital

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	600,000	600,000
Increase during the year	-	-
As at March 31, 2018	600,000	600,000
Increase during the year	-	-
As at March 31, 2019	600,000	600,000

(ii) Authorised redeemable preference share capital

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	650,000	650,000
Increase during the year	-	-
As at March 31, 2018	650,000	650,000
Increase during the year	-	-
As at March 31, 2019	650,000	650,000

(iii) Issued, Subscribed and Paid-up equity share capital

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	120,000	120,000
As at March 31, 2018	120,000	120,000
As at March 31, 2019	120,000	120,000

(iv) Movements in equity share capital

Particulars	Number of shares	Amount in Rs.
As at April 01, 2017	120,000	120,000
As at March 31, 2018	120,000	120,000
As at March 31, 2019	120,000	120,000

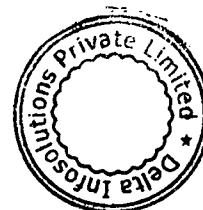
(v) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Lalit S. Kanodia	20,000	16.67%	20,000	16.67%
Mrs. Asha L. Kanodia	20,000	16.67%	20,000	16.67%
Mr. Sameer L. Kanodia	40,000	33.33%	40,000	33.33%
Vikrant Trust	40,000	33.33%	40,000	33.33%

7(b) - Reserves and surplus

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
Retained earnings	159,739,813	136,186,237
General reserve	320,325,224	320,325,224
FVOCI - Equity investments	(13,751,176)	(16,039,881)
Total	466,313,861	440,471,580



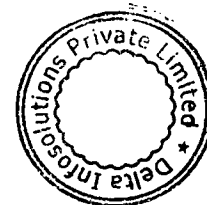
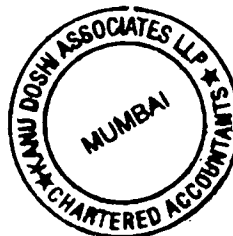
DELTA INFOSOLUTIONS PRIVATE LIMITED  
Financial statements as at and for year ended March 31, 2019

Note 8 - Trade payables		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Dues of micro and small enterprises	-	-
Dues other than micro and small enterprises	93,185	188,971
<b>Total</b>	<b>93,185</b>	<b>188,971</b>

Note 9 - Other current liabilities		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Statutory dues	15,953	10,353
<b>Total</b>	<b>15,953</b>	<b>10,353</b>

Note 10 - Other income		(Amount in Rs.)
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Interest received	7,478	2,202,477
Dividend on share investment	8,202,871	40,696,095
Dividend on mutual fund investment	5,296	139,887
Profit on sale of investments	3,766,563	35,989,025
Profit from partnership firm	-	2,639,745
Unrealised gain / (loss) on fair value of mutual funds	19,250,339	(966,286)
<b>Total</b>	<b>31,232,546</b>	<b>80,700,943</b>

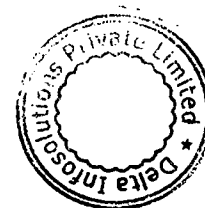
Note 11 - Other expenses		(Amount in Rs.)
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Legal and Professional expenses	957,777	1,025,236
Donation	300,000	-
Audit fees	193,227	111,800
Subscription expenses	114,468	105,729
Bank charges	118	2,950
Rates and taxes	51,831	105,271
Miscellaneous expenses	225,183	2,500
<b>Total</b>	<b>1,842,605</b>	<b>1,353,486</b>



Note 12 - Taxation

12(a) - income tax expense (Amount in Rs.)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
<i>Current tax</i>		
Current tax on profits for the year	6,344,099	8,050,000
Adjustments for current tax of prior periods	(4,310,600)	-
Total current tax expense	2,033,499	8,050,000
<i>Deferred tax</i>		
MAT credit entitlement	(4,147,134)	(5,414,297)
Total deferred tax expense/(benefit)	(4,147,134)	(5,414,297)
Income tax expense	(2,113,635)	2,635,703

12(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates (Amount in Rs.)		
Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Profit for the year	29,389,941	79,347,457
Statutory tax rate applicable to Delta Infosolutions Private Limited	27.82%	34.06%
Tax expense at applicable tax rate	8,176,282	27,028,124
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Exempted income	(2,183,729)	(25,035,926)
Amounts which are not deductible (taxable)	95,791	445,193
(Gain)/Loss in respect of which deferred tax (liability)/asset not recognized	(4,604,280)	329,146
Tax adjustment of earlier years	(4,310,600)	-
Difference in tax rates	576,908	(359,234)
Others	135,993	228,400
Income tax expense	(2,113,635)	2,635,703



The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the company is exposed to and how the company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

## Note 15 - Auditors Remuneration

(Amount in Rs.)

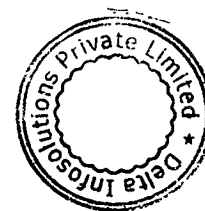
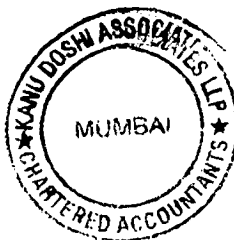
	Year ended March 31, 2019	Year ended March 31, 2018
For Services as Auditors	133,308	100,000
For Other Services	48,384	11,800
Reimbursement of out of Pocket Expenses	11,535	-
<b>Total</b>	<b>193,227</b>	<b>111,800</b>

## Note 16 - Capital management

## i Dividends

(Amount in Rs.)

	31 March 2019	31 March 2018
<b>Equity shares</b>		
Interim dividend for the period ended 31 March 2019 of Rs. Nil (31 March 2018 – Rs. 328) per fully paid share	7,950,000	39,360,000



**DELTA INFOSOLUTIONS PRIVATE LIMITED**
**Notes to the financial statements**
**Note 17 - Related Party Transactions**

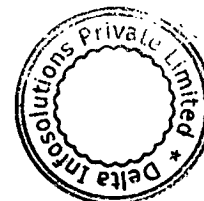
- (A) **Key Managerial Personnel :**  
 Dr. Lalit S. Kanodia  
 Mrs. Asha L. Kanodia  
 Mr. Rahul L. Kanodia  
 Mr. Sameer L. Kanodia
- (B) **Partnership firm, in which Company is a Partner upto April 30, 2018:**  
 Datascan Services
- (C) **Subsidiary Companies:**  
 Datamatics Global Services Limited (Direct)  
 Datamatics Global Services Inc  
 Datamatics Global Technologies Limited  
 Datamatics Global Technologies AG  
 Datamatics Infotech Limited  
 LD Publishing & eRetail Limited  
 Datamatics Global Services FZ LLC  
 Datamatics Global Services Pty. Limited  
 Datamatics Global Technologies GmbH  
 Datamatics Robotics Software Inc  
 Datamatics Robotics Software Limited  
 Datamatics Global Services Corp.  
 Cignex Datamatics Corporation  
 Cignex Datamatics Technologies Limited  
 Cignex Datamatics Inc.  
 Cignex Datamatics Pte. Limited  
 Cignex Datamatics GmbH  
 Cignex Datamatics UK Limited  
 Duo Consulting, Inc.  
 Attune Infocom Private Limited  
 Lumina Datamatics Limited  
 Lumina Datamatics Inc  
 Lumina Datamatics GmbH  
 IDR eRetail Limited  
 Lumina Datamatics Assessment and Analytics, LLC  
 Datamatics Digital Limited  
 Techjini Inc.  
 Datamatics Staffing Services Limited (from March 19, 2019)  
 RJ Globus Solutions Inc (From April 7, 2018)  
 RJ Globus Solutions Private Limited  
 RJ Globus Inc
- (D) **Enterprise owned by Key Managerial Personnel :**  
 Datamatics Staffing Services Limited (till March 18, 2019)  
 Datamatics Business Solutions Limited  
 Anemone Management Consultancy Private Limited
- (E) **Joint Venture**  
 Cybercom Datamatics Information Solutions Limited (Indirect)

Details of transactions with the related parties stated above :

(Amount in Rs.)

Nature of transaction	Refer (A) above		Refer (B) above		Refer (C) above		Refer (D) above	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Legal and Professional Fees	-	-	-	-	-	-	25,560	26,220
Datamatics Business Solutions Limited	-	-	-	-	-	-	25,560	26,220
Profit from Partnership Firm	-	-	-	2,614,236	-	-	-	-
Datascan Services	-	-	-	2,614,236	-	-	-	-
Dividend Income	-	-	-	-	7,953,436	39,767,178	-	-
Datamatics Global Services Limited	-	-	-	-	7,953,436	39,767,178	-	-
Interim Dividend	-	26,240,000	-	-	-	-	-	-
Dr. Lalit S. Kanodia	-	6,560,000	-	-	-	-	-	-
Mrs. Asha L. Kanodia	-	6,560,000	-	-	-	-	-	-
Mr. Sameer L. Kanodia	-	13,120,000	-	-	-	-	-	-
Sale of Investment in Partnership Firm	-	-	429,450	-	-	-	-	-
Datascan Services	-	-	429,450	-	-	-	-	-
Advances Given during the year	-	-	-	-	-	-	-	132,291
Anemone Management Consultancy Private Limited	-	-	-	-	-	-	-	132,291
Advances Repaid during the year	-	-	33,963,890	-	-	-	215,209	-
Anemone Management Consultancy Private Limited	-	-	-	-	-	-	215,209	-
Datascan Services	-	-	33,963,890	-	-	-	-	-
Receivables	-	-	-	33,963,890	-	-	-	6,210
Datascan Services	-	-	-	33,963,890	-	-	-	-
Datamatics Business Solutions Limited	-	-	-	-	-	-	-	6,210
Payables	-	-	-	-	-	-	-	215,209
Anemone Management Consultancy Private Limited	-	-	-	-	-	-	-	215,209

Related parties are identified by the Management and relied upon the Auditors.





## Note 18 - Earnings per share

Particulars	March 31, 2019	March 31, 2018
(a) Basic and Diluted earnings per share		
Net Profit after taxation (in Rs.)	31,503,576	76,711,754
Weighted average number of Equity shares	120,000	120,000
Nominal value of Equity shares (in Rs.)	1	1
Basic earnings per share	262.53	639.26

19 Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited, Datamatics Global Services Limited and their respective shareholders

- i) Delta Infosolutions Private Limited ('DIPL') was a part of a Composite Scheme of Arrangement ("Scheme") between DIPL, Datamatics Infotech Services Private Limited ('DISPL'), Datamatics Global Services Limited ('DGSL') and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on April 27, 2018. The scheme had the appointed date of June 1, 2018.

Since the Scheme involved a listed company (i.e. DGSL), DGSL was also required to seek approval of the public shareholders by way of e-voting in terms of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended by circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018 ('SEBI circulars'). The SEBI Circulars provide that the Scheme shall be acted upon only if the votes cast by the Public Shareholders of DGSL (i.e. listed company) in favour of the proposal are more than the number of votes cast by the Public Shareholders against it. The votes cast by the public shareholders of DGSL and the consolidated result in respect of public shareholders, was intimated to the Stock Exchanges, based on which the said requisite majority required under the SEBI Circulars for approval of the Scheme was not obtained since the votes cast by the public shareholders of DGSL in favour were less than the votes cast against the same.

Therefore, pursuant to the same, the Scheme was withdrawn.

Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and their respective shareholders

- ii) Post the above withdrawal, DIPL is a part of a Scheme of Arrangement between DIPL, DISPL and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on May 30, 2019. This scheme has the appointed date of April 1, 2019.

The scheme inter-alia provides for demerger of demerged undertaking (as defined under the Scheme) of DIPL into DISPL in accordance with Section 2(19AA) of the Income-tax Act, 1961.

The Hon'ble National Company Law Tribunal, Mumbai Bench has vide order dated 22nd August, 2019, has admitted the application for giving effect to this Scheme of Arrangement.

- 20 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, 2019. 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.

- 21 With effect from May 31, 2018 the Company has become a non-systematically important Core Investment Company as referred to in Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Regulations") pursuant to Para 6 of Master Direction - Exemptions from provisions of RBI Act, 1934 (Master Direction DNBR.PD. 001/03.10.119/2016-17 dated August 25, 2016). Hence it is not required to obtain the COR u/s. 45IA of the Act.

- 22 Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation.

- 23 Figures are rounded off to the nearest of Rupees.

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

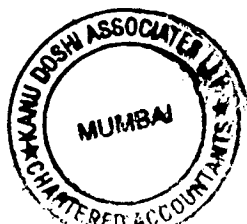
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Kunal Vakharia

Partner

Membership No. 148916

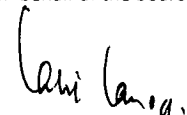


UDIN : 19148916 AAAA DP 8905

Place : Mumbai

Date : September 13, 2019

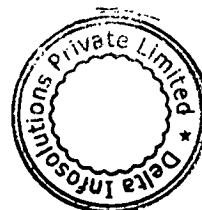
For and on behalf of the Board



Dr. Lalit S. Kanodia

Chairman

DIN 00008050





Rahul L. Kanodia

Director

DIN 00075801

## **Independent Auditor's Report**

To,  
The Members of DELTA INFOSOLUTIONS PRIVATE LIMITED

### **Report on Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated Financial Statements of DELTA INFOSOLUTIONS PRIVATE LIMITED (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group") and its joint venture in Annexure A, which comprises of the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

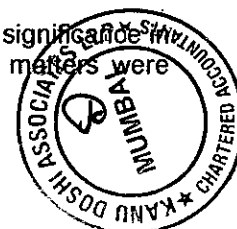
In our opinion and to the best of our information and according to the explanations given to us and based on our audit and on the consideration of report of the other auditor on consolidated financial statements of the subsidiary company referred to in point 1 in the paragraph on "Other Matters" below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their Consolidated state of affairs of the Group and its Joint Venture as at March 31, 2019 and their consolidated financial performance (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flow and consolidated statement of changes in equity for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit 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 Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group and its Joint venture in accordance with the Code of Ethics issued by The Institute of Chartered Accountant of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance to our audit of the Consolidated Financial Statements of the current period. These matters were



addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated Financial position, the consolidated Financial performance, of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal Financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

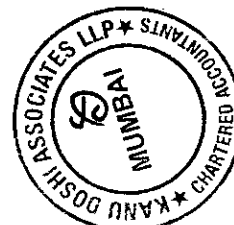
The respective Board of Directors of the companies included in the Group are responsible for overseeing the Financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal Financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the consolidated Financial Statements of which we are the independent auditors. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



**Other Matters**

We did not audit the Consolidated financial statements / information of Datamatics Global Services Limited (Subsidiary Company) which includes 30 step down subsidiaries and one joint venture included in the consolidated financial statements whose financial statements reflect total assets of Rs. 8,66,73,87,348/- as at March 31, 2019 and total revenue of Rs.11,33,49,04,821, net cash outflow of Rs. 12,16,66,074/- , total comprehensive income (comprising of profit and other comprehensive income) of Rs. 96,95,49,855/- for the year ended March 31, 2019. This Consolidated financial statements of Subsidiary Company and other financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of this subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report is not modified in respect of this matter

**Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on Consolidated financial statements of a subsidiary referred to in Point 1 in the paragraph on "Other Matters", we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company, its subsidiaries included in the Group and Joint Venture, so far as appears from our examination of those books and report of the other auditor.
- c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and Joint Venture including relevant records for the purpose of preparation of the aforesaid consolidated financial statements.
- d) In our opinion, the consolidated 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 of the Company as on March 31, 2019, taken on record by the Board of Directors of the Company, none of the Directors of the Company and its associate company is



**ANNEXURE A TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements **DELTA INFOSOLUTIONS PRIVATE LIMITED** ("hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial control over financial reporting of the Holding company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and Joint Venture, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013("the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on, the Holding Company's and its subsidiary companies' incorporated in India, wherever applicable, and its Joint Venture's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, to the extent applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





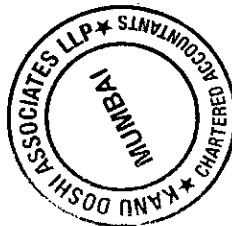
disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and its Joint Venture and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 47 to the consolidated financial statements.
  - ii) The Group did not have any material foreseeable losses on long term contracts including derivatives contracts.
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration Number: 104746W/W100096



Kunal Vakharia  
Partner  
Membership No: 148916  
UDIN: 19148916AAAADR5516  
Place: Mumbai  
Date: 3<sup>rd</sup> September, 2019



**ANNEXURE A TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements **DELTA INFOSOLUTIONS PRIVATE LIMITED** ("hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2019, we have audited the internal financial control over financial reporting of the Holding company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and Joint Venture, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013("the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on, the Holding Company's and its subsidiary companies' incorporated in India, wherever applicable, and its Joint Venture's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, to the extent applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the paragraph on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



**Opinion**

In our opinion and based on the opinion expressed in the report of other auditor, the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm Registration Number: 104746W/W100096



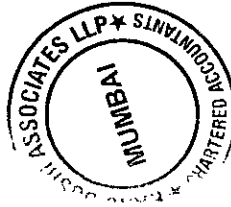
Kunal Vakharia

Partner

Membership No: 148916

UDIN: 19148916AAAADR5516

Place: Mumbai

Date: 3<sup>rd</sup> September, 2019

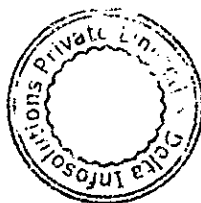
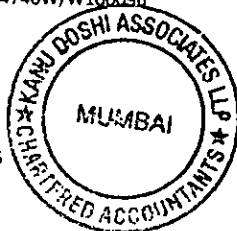
Delta Infosolutions Private Limited  
Consolidated Balance Sheet as at March 31, 2019

		(Amount in Rs.)	
Particulars	Note	March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	1,177,352,358	1,112,135,082
Capital work-in-progress	3	9,783,841	49,909,109
Goodwill	4	2,124,254,337	1,752,368,439
Other intangible assets	4	218,646,413	237,537,191
Intangible assets under development	4	3,201,891	-
<b>Financial assets</b>			
i. Investments	5	123,874,231	258,118,701
ii. Loans	6	286,184	3,694,266
iii. Other financial assets	7	165,860,134	134,909,914
Deferred tax assets	8(c)	38,354,432	145,844,619
Non-current tax assets (net)	9	165,454,696	93,114,867
Other non-current assets	10	7,154,034	67,955,254
<b>Total non-current assets</b>		<b>4,034,222,552</b>	<b>3,855,587,442</b>
<b>Current assets</b>			
<b>Financial assets</b>			
i. Investments	11	749,837,029	317,639,269
ii. Trade receivables	12	2,461,372,334	2,047,876,304
iii. Cash and cash equivalents	13	696,353,919	825,786,350
iv. Bank balances other than (iii) above	14	38,041,598	25,653,213
v. Loans	15	3,651,771	15,974,199
vi. Other financial assets	16	694,027,084	680,807,980
Current tax assets (net)	17	18,862,711	-
Other current assets	18	292,565,086	126,872,947
<b>Total current assets</b>		<b>4,954,711,531</b>	<b>4,040,610,263</b>
<b>Total Assets</b>		<b>8,988,934,082</b>	<b>7,896,197,705</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19(a)	120,000	120,000
Other equity	19(b)	3,775,155,743	3,244,291,045
Equity attributable to owners of Datamatics Global Services Limited		3,775,275,743	3,244,411,045
Non-controlling interests		3,339,385,844	2,878,630,932
<b>Total equity</b>		<b>7,114,661,587</b>	<b>6,123,041,977</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Other financial liabilities	20	9,472,460	2,351,690
Provisions	21	228,419,183	174,133,019
<b>Total non-current liabilities</b>		<b>237,891,643</b>	<b>176,484,709</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	22	358,785,841	657,952,778
ii. Trade payables	23	742,373,582	689,750,908
iii. Other financial liabilities	24	121,948,820	19,905,605
Provisions	25	36,864,834	37,878,303
Current tax liabilities (net)	26	54,924,159	-
Other current liabilities	27	321,483,616	191,183,424
<b>Total current liabilities</b>		<b>1,636,380,853</b>	<b>1,596,671,019</b>
<b>Total liabilities</b>		<b>1,874,272,496</b>	<b>1,773,155,728</b>
<b>Total Equity and Liabilities</b>		<b>8,988,934,082</b>	<b>7,896,197,705</b>
The accompanying notes forming an integral part of the financial statements		1-53	

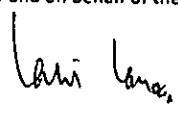
As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096


  
Kunal Vakharia  
Partner

Membership No. 148916



For and on behalf of the Board

  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801

Place : Mumbai  
Date : September 3, 2019

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Delta Infosolutions Private Limited  
Consolidated Statement of Profit and Loss for the year ended March 31, 2019

		(Amount in Rs.)	
Particulars	Note	March 31, 2019	March 31, 2018
Revenue from operations	28	11,334,904,821	9,102,686,036
Other income	29	131,398,370	285,258,040
<b>Total income</b>		<b>11,466,303,191</b>	<b>9,387,944,076</b>
<b>Expenses</b>			
Purchase of products and licenses	30	111,486,461	96,102,859
Employee benefit expenses	31	6,891,320,891	5,668,847,114
Finance costs	32	47,710,004	40,296,302
Depreciation and amortisation expenses	33	260,345,771	203,302,694
Other expenses	34	2,995,462,589	2,518,781,556
<b>Total expenses</b>		<b>10,306,325,716</b>	<b>8,527,330,526</b>
<b>Profit before share of net profits of investments accounted for using the equity method and tax</b>		<b>1,159,977,475</b>	<b>860,613,549</b>
Share of net profits of associates and joint ventures accounted for using the equity method		8,984,392	22,861,441
<b>Profit before tax</b>		<b>1,168,961,867</b>	<b>883,474,991</b>
Tax expense			
- Current tax	8(a)	286,920,026	121,251,057
- Deferred tax	8(a)	13,727,365	10,249,866
<b>Total tax expense/(credit)</b>		<b>300,647,391</b>	<b>131,500,923</b>
<b>Profit from continuing operations</b>		<b>868,314,475</b>	<b>751,974,068</b>
Share of Non controlling Interest in Profit for the year		442,640,894	369,162,329
<b>Profit for the year</b>		<b>425,673,582</b>	<b>382,811,739</b>

Consolidated statement of other comprehensive income (OCI) for the year ended March 31, 2019

		(Amount in Rs.)	
Particulars	Note	March 31, 2019	March 31, 2018
<i>Items that will be reclassified to profit or loss</i>			
Cash flow Hedges		83,542,288	(59,366,016)
Foreign currency translation reserve movement		179,117,138	(169,598,836)
Tax relating to above		(50,891,217)	24,996,044
		<b>211,768,210</b>	<b>(203,968,809)</b>
<i>Items that will not be reclassified to profit or loss</i>			
Fair Value gain on FVOCI investments		3,924,854	(16,091,556)
Actuarial gains and losses		(9,946,356)	(9,565,762)
Tax relating to above		3,173,927	771,647
		<b>(2,847,575)</b>	<b>(24,885,671)</b>
		<b>208,920,635</b>	<b>(228,854,480)</b>
Share of Non Controlling interest in Other Comprehensive income		85,489,316	-
<b>OCI for the year</b>		<b>123,431,319</b>	<b>(228,854,480)</b>
<b>Total comprehensive income for the year</b>		<b>549,104,901</b>	<b>153,957,260</b>
Earnings per equity share (face value Rs. 5 each)	41		
- Basic (in Rs.)		3,547.28	3,190.10
- Diluted (in Rs.)		3,547.28	3,190.10

The accompanying notes forming an integral part of the financial statements 1-53

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

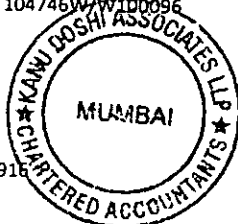
Firm Registration No. 104746W/WTD0096



Kunal Vakharia

Partner

Membership No. 148916



Place : Mumbai

Date : September 3, 2019

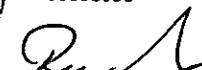
For and on behalf of the Board



Dr. Lalit S. Kanodia

Chairman

DIN 00008050



Rahul L. Kanodia

Director

DIN 00075801



## Consolidated statement of changes in equity for the year ended March 31, 2019

A. Equity share capital	Amount in Rs.
Particulars	
As at March 31, 2017	120,000
Changes in equity share capital	-
As at March 31, 2018	120,000
Changes in equity share capital	-
As at March 31, 2019	120,000

## B. Other equity

Particulars	Other comprehensive income										Non-controlling interests	Total
	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve	Total other equity		
As at March 31, 2017	822,892,895	25,039,990	586,892,376	579,634,912	744,281,246	5,358,571	7,889,531	125,300,279	87,796,783	2,985,086,584	2,520,403,310	5,505,489,894
Profit for the year	382,811,739	-	-	-	-	-	-	-	-	382,811,739	277,072,839	659,884,578
Other comprehensive income	(8,794,115)	-	-	-	-	(51,675)	(8,794,115)	(34,369,972)	88,440,198	36,430,320	-	36,430,320
Acquisition of Techjini	-	-	-	-	-	-	-	-	-	-	38,122,978	38,122,978
Additional shares issued in Lumina	-	-	-	-	-	-	-	-	-	-	26,493,959	26,493,959
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	16,537,845	16,537,845
Dividend on Equity shares	(44,212,003)	-	-	-	-	-	-	-	-	(44,212,003)	-	(44,212,003)
Interim Dividend on Equity shares	(29,474,669)	-	-	-	-	-	-	-	-	(29,474,669)	-	(29,474,669)
Fair value difference in equity instruments	(313,936,519)	-	-	227,585,593	-	-	-	-	-	(86,350,926)	-	(86,350,926)
As at March 31, 2018	809,287,328	25,039,990	586,892,376	807,220,505	744,281,246	5,306,896	(904,584)	90,930,307	176,236,981	3,244,291,045	2,878,630,932	6,122,921,977
Profit for the year	425,673,582	-	-	-	-	3,171,734	(3,355,585)	17,565,197	117,370,700	425,673,582	442,640,894	868,314,475
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	85,489,316	85,489,316
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	(7,434,454)	(7,434,454)
Purchase of Non controlling interest	(10,110,614)	-	-	-	-	-	-	-	-	(10,110,614)	(36,030,046)	(46,140,660)
Additional shares issued in subsidiary	-	-	-	-	-	-	-	-	-	-	4,381,350	4,381,350
Foreign exchange impact on NCI	-	5,137,117	-	-	-	-	-	-	-	5,137,117	(28,292,148)	(28,292,148)
Dividend on Equity shares	(14,736,772)	-	-	-	-	-	-	-	-	(14,736,772)	-	(14,736,772)
Interim Dividend on Equity shares	(9,850,661)	-	-	-	-	-	-	-	-	(9,850,661)	-	(9,850,661)
As at March 31, 2019	1,200,262,863	30,177,107	586,892,376	807,220,505	744,281,246	8,478,631	(4,260,169)	108,495,503	293,607,681	3,775,155,743	3,339,385,844	7,114,541,587

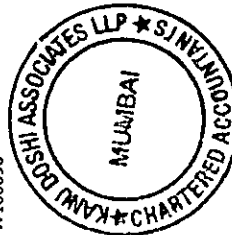
The accompanying notes forming an integral part of the financial statements

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096

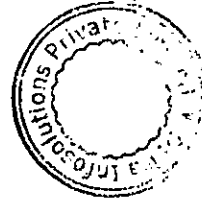


*Kanu*  
Kunal Vakharia  
Partner  
Membership No. 148916

For and on behalf of the Board

*Dr. Lalit S. Kanodia*  
Chairman  
DIN 00008050

*Rahul L. Kanodia*  
Director  
DIN 00075801



Place : Mumbai  
Date : September 3, 2019

Delta Infosolutions Private Limited  
Consolidated Cash flow statement for the year ended March 31, 2019

(Rs. In Millions)

	March 31, 2019	March 31, 2018
<b>A. Cash flow from operating activities</b>		
Profit before tax	1,168,961,867	883,474,991
Adjustments for :		
Depreciation and amortisation expense	260,345,771	203,302,694
Provision for doubtful debts, advances and investments	101,466,023	(21,021,548)
Liabilities / excess provision written back	(1,624,942)	-
Loss/(Profit) on sale fixed assets (net)	897,446	935,928
Finance cost	47,710,004	40,296,302
Employee stock option expenses	9,830,908	-
Unrealised gain on fair value of financial assets	(20,681,411)	(31,540,001)
Profit on sale of Investments	(22,034,136)	(72,241,946)
Dividend income	(5,397,283)	(1,571,990)
Interest income	(2,313,389)	(10,610,963)
Operating profit before working capital changes	1,537,160,857	991,023,467
Adjustments for :		
Increase in trade receivables	(513,337,110)	(435,413,878)
(Increase) / Decrease in loans	15,730,510	(7,394,909)
Decrease / (Increase) in other financial and non-financial assets	(161,448,627)	104,915,428
Increase in trade payables	42,791,766	64,014,090
Increase in other financial and non-financial liabilities	228,504,351	32,030,000
Cash generated from operations	1,149,401,747	749,174,198
Direct taxes paid (net)	(239,866,320)	(212,285,187)
<b>Net cash flow from operating activities (A)</b>	<b>909,535,427</b>	<b>536,889,011</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(265,088,994)	(542,419,221)
Sale of fixed assets	16,627,323	77,552,355
Payment towards acquisition of subsidiary / non controlling interest	(197,103,106)	(391,000,000)
Sale of long-term Investments	202,548,380	156,337,658
(Purchase)/Sale of current investments	(432,197,761)	308,253,778
Dividend received	5,397,283	1,571,990
Interest received	2,313,389	10,452,577
<b>Net cash flow used in investing activities (B)</b>	<b>(667,503,485)</b>	<b>(379,250,863)</b>
<b>C. Cash flow from financing activities</b>		
Repayment of long-term borrowings	-	(342,299,633)
Proceeds / (Repayment) of short-term borrowings	(299,166,937)	453,610,722
Dividend paid	(24,587,433)	(73,680,000)
Interest paid	(47,710,004)	(49,487,197)
<b>Net cash flow used in financing activities (C)</b>	<b>(371,464,374)</b>	<b>(11,856,108)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>(129,432,432)</b>	<b>145,782,040</b>
Cash and cash equivalents at the beginning of the year	825,786,350	680,004,310
<b>Net cash and cash equivalents at the end of the year (Refer Note 13)</b>	<b>696,353,919</b>	<b>825,786,350</b>

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

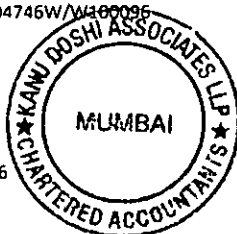
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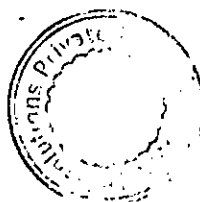
Kunal Vakharia

Partner

Membership No. 148916



For and on behalf of the Board



  
Dr. Lalit S. Kanodia

Chairman

DIN 00008050

  
Rahul L. Kanodia

Director

DIN 00075801

Place : Mumbai

Date : September 3, 2019

**Delta Infosolutions Private Limited**  
**Notes Forming part of the Consolidated Financial Statements**

**Note 1: General Information**

Delta Infosolutions Private Limited (Delta) is holding company of Datamatics Global Services Limited (DGSL), having CIN U72300MH1992PTC064911 was incorporated on 17 January 1992. DGSL is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Group provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

**Note 2: Significant Accounting Policies**

**a) Basis of Preparation of Financial Statements:**

**Compliance with Ind AS**

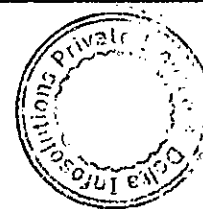
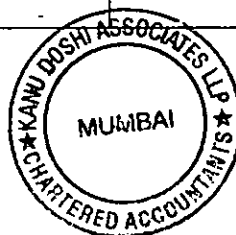
The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**b) Basis of Consolidation:**

**i) Subsidiaries**

These consolidated financial statements include the financial statements of Delta Infosolutions Private Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2019 and as at March 31, 2018 are summarized below.

Name of the Subsidiary	2018 - 19		2017 - 18	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Limited	India	53.97	India	53.97
Datamatics Global Services Inc	USA	53.97	USA	53.97
Datamatics Infotech Limited	UK	53.97	UK	53.97
Datamatics Global Services Pty. Limited	Australia	53.97	Australia	53.97
Datamatics Global Technologies Limited	Mauritius	53.97	Mauritius	53.97
Datamatics Global Technologies AG	Switzerland	53.97	Switzerland	53.97
Datamatics Global Services FZ LLC	U.A.E	53.97	U.A.E	53.97
Datamatics Global Technologies GmbH ^	Germany	53.97	Germany	53.97
Datamatics Global Services Corp	Philippines	53.97	Philippines	53.97
LD Publishing & eRetail Limited*	India	53.97	India	53.97
Datamatics Digital Limited	India	43.77	India	38.37
Techjini Inc	USA	43.77	USA	38.37
Datamatics Staffing Services Limited@	India	22.32	-	-
Datamatics Robotics Software Inc	USA	53.97	USA	53.97
Datamatics Robotics Software Limited#	India	53.97	-	-
RJ Globus Solutions Inc@	Philippines	40.48	-	-
RJ Globus Inc#	USA	40.48	-	-
RJ Globus Solutions Private Limited#	India	40.48	-	-
Cignex Datamatics Corporation	BVI	33.35	BVI	31.90
Cignex Datamatics Inc	USA	33.35	USA	31.90
Cignex Datamatics Technologies Limited	India	33.35	India	31.90
Cignex Datamatics Pte. Limited	Singapore	33.35	Singapore	31.90
Cignex Datamatics GmbH	Germany	33.35	Germany	31.90
Cignex Datamatics UK Limited	UK	33.35	UK	31.90
Duo Consulting, Inc.	USA	22.01	USA	21.06
Attune Infocom Private Limited	India	17.01	India	16.27
Scalsys Technologies Private Limited	-	-	India	16.27



**Delta Infosolutions Private Limited**  
**Notes Forming part of the Consolidated Financial Statements**

Name of the Subsidiary	2018 - 19		2017 - 18	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Lumina Datamtics Limited	India	52.89	India	52.89
LDR eRetail Limited	India	52.89	India	52.89
Lumina Datamtics Inc	USA	52.89	USA	52.89
Lumina Datamtics GmbH	Germany	52.89	Germany	52.89
Lumina Datamtics Assessment and Analytics, LLC	USA	34.38	USA	34.38

^ Under liquidation

@ Acquired during the year

# Incorporated during the year

\* Strike off

The financial statements of the Parent Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

Non controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non controlling shareholders at the dates on which investments are made by the Parent Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

The Parent Group and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with GAAP prevalent in their respective countries of domicile.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of charge of depreciation on fixed assets and other insignificant items for which the accounting treatment is given on the basis of local laws applicable in the respective country, for which using uniform accounting policies for the purpose of consolidation is impracticable.

**ii) Joint ventures**

Interests in joint ventures are accounted for using the Equity method, after initially being recognised at cost in the consolidated balance sheet.

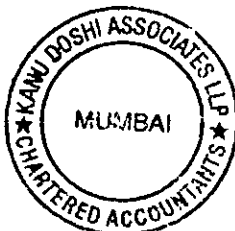
Name of the Joint venture	2018 - 19		2017 - 18	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Cybercom Datamtics Information Solutions Limited	India	27.25	India	27.25

**Equity Method :**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.



iii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- \* certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;
- \* defined benefit plans – plan assets measured at fair value.

iv) Measurement of fair values

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

c) Use of Estimates

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

d) Foreign currency translation

i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

ii) Transactions, balances and translation

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period. Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve. Exchange Difference arising on investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

e) Revenue recognition

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue from the sale of distinct internally developed software and third party software is recognised upfront at the point in time when the software is delivered to the customer. In cases where implementation services rendered significantly modifies or customise the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

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.

Effective April 1, 2018, the Group has applied Ind AS 115 Revenue from contracts with customers which establishes comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

f) Income tax

Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

Current Income taxes

The current tax expense include income tax expense payable by the Group. The current tax payable by the Group is income tax payable on worldwide income after taking credit for tax exemption available for export operation in Special Economic Zone (SEZs).

Current income taxes payable by overseas subsidiaries is computed in accordance with tax laws applicable in the jurisdiction in which the respective subsidiaries operates.

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in some tax jurisdictions

Deferred tax

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.



At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

**g) Leases**

**Finance Lease**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost as to obtain a constant periodic rate of interest on the outstanding liability for each year.

**Operating lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

**h) Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

**i) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**j) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**k) Investments and other financial assets**

**i) Classification**

The Group classifies its financial assets in the following measurement categories:

- \* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- \* those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**ii) Measurement**

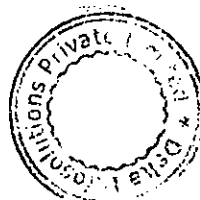
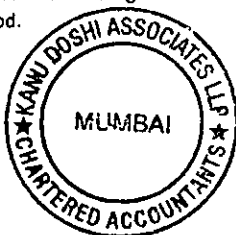
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- \* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.





\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The Group subsequently measures all equity investments, at fair value (except investment in joint venture which is valued at cost less impairment losses, if any). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### iv) Derecognition of financial assets

A financial asset is derecognised only when

\* The Group has transferred the rights to receive cash flows from the financial asset or

\* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### v) Income recognition

##### Interest income

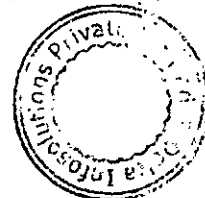
Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

#### ii) Derivatives and hedging activities

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The Group does not use the forward contract for speculative purposes. The Group designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.



Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised through other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

**m) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**n) Property, Plant and Equipment**

Property, Plant and Equipments are valued at cost, except for certain Property, Plant and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

**o) Intangible assets**

**i) Goodwill**

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Goodwill on consolidation of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

**ii) Trademarks, copyrights and other rights**

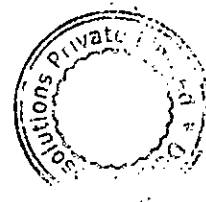
Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete fees acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**iii) Computer software**

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.



iv) **Other Intangible assets**

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

v) **Amortisation methods and periods**

The Group amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Goodwill	Nil
Patents, Trademarks, Copyrights	3 - 5 years
Customer contracts	3 years
Computer Software	3 years
Other intangible assets	3 years

p) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

q) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) **Borrowing costs**

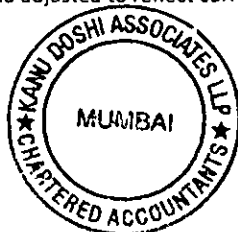
Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

s) **Provision, Contingent Liabilities and Contingent Assets**

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.



**t) Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

In case of Parent Group and its Indian Subsidiaries; (i) Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liability towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

Foreign subsidiaries maintain a defined contribution retirement plan, which covers substantially all the employees of the foreign subsidiaries and qualifies as a deferred salary arrangement under laws of respective countries. The Group matches employees' contributions at the discretion of the Group.

**u) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**v) Earnings per share**

In determining Earnings per Share, the Group considers the net profit attributable to Group's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**w) Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019.

**i) Ind AS - 116 : Leases**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which underlying asset is of low value.

With effect from April 1, 2019, the Group will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability. The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

**ii) Ind AS 12 : Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an Group shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. The amendment does not amend the situations where the Group pays a tax on dividend which is effectively a portion of dividend paid to taxation authorities on behalf of shareholders.

**iii) Ind AS 109 : Prepayment features with negative compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

**iv) Ind AS 19 : Plan amendment, curtailment or settlement**

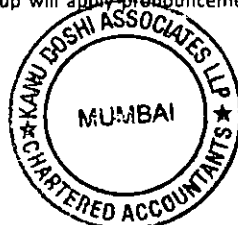
The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

**v) Ind AS 23 : Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes the part of the funds that Group borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

**vi) Ind AS 103 : Business Combinations and Ind AS 111 : Joint Arrangements**

The amendments to Ind AS 103 relating to remeasurement clarify that when an Group obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an Group obtains joint control of a business that is a joint operation, the Group does not re-measure previously held interests in that business. The Group will apply pronouncement if and when it obtains control / joint control of a business that is a joint operation.



Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

Note 3 - Property, plant and equipment

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
<b>Gross block</b>										
As at March 31, 2017	302,848,546	270,297,921	178,937,658	92,827,407	100,943,341	144,206,789	123,992,793	15,536,177	1,229,590,632	12,423,033
Additions	-	-	2,493,235	13,543,771	78,811,140	61,372,968	11,964,524	5,585,652	173,771,290	65,992,504
Disposals / derecognised	-	-	-	(208,590)	(13,999,796)	(35,563,198)	(4,746,296)	(2,231,667)	(56,749,547)	(28,506,428)
Exchange differences	-	-	-	69,516	78,225	331,362	191,480	2,377	672,960	-
As at March 31, 2018	302,848,546	270,297,921	181,430,893	106,232,104	165,832,910	170,347,921	131,402,501	18,892,539	1,347,285,335	49,909,109
Additions	-	-	366,750	27,545,613	51,978,059	31,738,393	22,831,020	7,772,932	142,232,767	-
Acquisitions (business combination)	-	-	2,485,825	61,750,094	40,931,571	2,541,790	15,378,987	-	123,088,267	-
Disposals / derecognised	-	-	-	(1,964,538)	(742,803)	(7,385,143)	(1,413,242)	(1,408,019)	(12,913,745)	(40,125,268)
Exchange differences	-	-	-	9,631,528	(8,590,954)	3,013,811	4,833,618	41,040	8,929,044	-
As at March 31, 2019	302,848,546	270,297,921	184,283,468	203,194,801	249,408,783	200,256,772	173,032,885	25,298,492	1,608,621,668	9,783,841

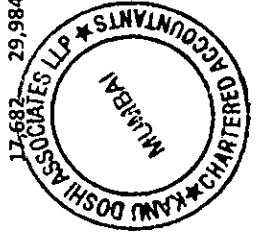
Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
<b>Accumulated depreciation</b>										
As at March 31, 2017	-	4,684,428	6,560,305	4,561,206	28,115,581	64,792,685	23,997,518	3,073,812	135,785,535	-
Depreciation charge during the year	-	4,684,428	5,733,103	6,389,713	20,737,783	41,829,202	20,378,262	3,868,559	103,621,050	-
Disposals / derecognised	-	-	-	(111,991)	(1,607,958)	(590,802)	(596,135)	(1,956,033)	(4,962,919)	-
Exchange differences	-	-	-	47,150	97,650	382,688	176,874	2,225	706,587	-
As at March 31, 2018	-	9,368,856	12,293,408	10,886,078	47,343,056	106,413,773	43,856,519	4,988,563	235,150,253	-
Depreciation charge during the year	-	4,684,428	1,630,102	21,897,205	63,010,527	47,184,587	22,226,776	3,440,812	164,074,438	-
Acquisitions (business combination)	-	-	600,798	16,906,916	13,657,383	2,217,417	3,401,412	-	36,783,926	-
Disposals / derecognised	-	-	-	(111,991)	(224,857)	(4,704,604)	(100,378)	(646,779)	(5,788,609)	-
Exchange differences	-	-	-	(215,714)	(893,137)	2,097,095	44,306	16,752	1,049,303	-
As at March 31, 2019	-	14,053,284	14,524,308	49,362,495	122,892,972	153,208,268	69,428,635	7,799,349	431,269,310	-
Net carrying amount as at March 31, 2019	302,848,546	256,244,637	169,759,160	153,832,307	126,515,812	47,048,503	103,604,250	17,499,143	1,177,352,358	9,783,841
Net carrying amount as at March 31, 2018	302,848,546	260,929,065	169,137,485	95,346,026	118,489,854	63,934,148	87,545,982	13,903,976	1,112,135,082	49,909,109



Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

Note 4 - Intangible assets								(Amount in Rs.)	
Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill	Intangible assets under development
<b>Gross block</b>									
As at March 31, 2017	134,480,230	29,655,172	8,352,490	-	16,169,680	6,092,101	194,749,673	1,438,937,446	-
Additions	211,401,312	-	-	20,000	39,979,537	845	251,401,694	457,765,364	-
Disposals / derecognised	(36,639,312)	-	-	-	-	-	(36,639,312)	(143,919,687)	-
Exchange differences	326,635	-	-	-	805,463	556,532	1,688,630	11,306,204	-
As at March 31, 2018	309,568,865	29,655,172	8,352,490	20,000	56,954,680	6,649,478	411,200,685	1,764,089,327	-
Additions	71,467,689	-	-	1,886,512	-	-	73,364,201	249,320,000	3,201,891
Acquisitions (business combination)	270,781	-	-	-	-	-	270,781	-	-
Disposals / derecognised	(10,098,560)	-	-	(490,420)	-	-	(10,588,980)	-	-
Exchange differences	14,025,662	-	-	-	1,123,795	(630,937)	14,518,520	132,581,785	-
As at March 31, 2019	385,225,572	29,660,000	8,350,000	1,416,092	58,083,795	6,019,063	488,764,522	2,146,001,785	3,201,891

Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill	Intangible assets under development
<b>Accumulated amortisation and impairment</b>									
As at March 31, 2017	63,753,215	8,730,897	2,391,874	-	16,169,701	2,341,419	93,387,106	545,161	-
Amortisation charge during the year	58,633,723	6,599,440	1,873,923	2,318	9,994,884	1,346,931	88,551,219	11,130,425	-
Disposals / derecognised	(9,597,867)	-	-	-	-	-	(9,597,867)	-	-
Exchange differences	390,857	-	-	-	805,463	126,716	1,323,036	45,302	-
As at March 31, 2018	123,179,928	15,430,337	4,265,797	2,318	26,970,048	3,815,066	173,663,494	11,720,888	-
Amortisation charge during the year	54,414,591	6,599,439	1,873,923	305,470	13,326,512	430,349	87,050,285	9,220,792	-
Acquisitions (business combination)	159,720	-	-	-	-	-	159,720	-	-
Disposals / derecognised	(85,049)	-	-	(104,298)	-	-	(189,347)	-	-
Exchange differences	9,144,586	-	-	-	1,123,795	(834,423)	9,433,958	805,768	-
As at March 31, 2019	196,813,776	22,129,776	6,139,720	203,489	41,420,356	3,410,992	270,118,110	21,747,448	-
Net carrying amount as at March 31, 2019	188,411,796	7,530,224	2,210,280	1,212,603	16,663,440	2,608,071	218,646,413	2,124,254,337	3,201,891
Net carrying amount as at March 31, 2018	186,388,937	14,224,835	4,086,693	17,682	29,984,632	2,834,412	237,537,191	1,752,368,439	-





**Note 5 - Non-current investments**

(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
<b>Investment in equity Instruments (fully paid-up)</b>		
<b>Quoted (at Fair Value through OCI) (FVOCI)</b>		
18,234 (P.Y. 13,676) fully paid Equity Shares of Rs. 2 each of Wipro Limited	4,646,022	3,845,006
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 1 each of Vikas WSP Limited	87,600	62,250
800 (P.Y. 800) fully paid Equity Shares of Rs. 5 each of Mahindra and Mahindra Limited	539,120	591,120
8,998 (P.Y. 8,998) fully paid Equity Shares of Rs. 10 each of Coal India Limited	2,134,326	2,549,133
38,767 (P.Y. 38,767) fully paid Equity Shares of Rs. 10 each of Powergrid Corporation	7,671,989	11,000,018
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 2 each of Axis Bank Limited	3,886,250	2,552,500
1,800 (P.Y. 1,800) fully paid Equity Shares of Rs. 2 each of Larsen and Toubro Limited	2,493,540	2,359,620
900 (P.Y. 900) fully paid Equity Shares of Rs. 10 each of Cybertech Limited	39,510	51,435
35,200 (P.Y. 35,200) fully paid Equity Shares of Rs. 10 each of Global Offshore Services Limited	394,240	730,400
56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation	760,785	914,935
Nil (P.Y. 3,510) Equity Shares of Rs. 10 each of Jyothi Laboratories Limited	-	1,389,434
Nil (P.Y. 40,000) Equity Shares of Rs. 10 each of RBL Bank Limited	-	19,194,000
Nil (P.Y. 1,000) Equity Shares of Rs. 2 each of HDFC Bank Limited	-	1,886,100
Nil (P.Y. 3,100) Equity Shares of Rs. 2 each of ICICI Bank Limited	-	949,174
<b>Investment in mutual funds</b>		
<b>Quoted (at Fair Value through Profit &amp; Loss) (FVTPL)</b>		
9,32,923 (P.Y. 9,32,923) Units of IIFL Income Opportunities Fund Special Situation	6,141,030	6,755,576
Nil (P.Y. 14,081) Units of HDFC Prudence Fund - Growth	-	6,954,492
Nil (P.Y. 65,509) Units of Birla SL Frontline Equity Fund - Growth	-	13,706,456
Nil (P.Y. 355,917) Units of ICICI Pru Focused BlueChip Equity Fund - Reg - Growth	-	13,752,625
Nil (P.Y. 12,364) Units of Franklin India Prima Plus- Growth	-	6,966,178
Nil (P.Y. 102,993) Units of Kotak Emerging Fund - Growth	-	4,015,386
Nil (P.Y. 12,687) Units of Reliance Banking Fund - Growth	-	3,225,114
Nil (P.Y. 290,546) Units of HDFC Small and Midcap Opportunities fund - Direct - Growth	-	16,820,583
Nil (P.Y. 2,531) Units of Franklin India Prima - Direct - Growth	-	2,563,278
Nil (P.Y. 115,865) Units of Kotak Emerging Equity Scheme - Direct - Growth	-	4,793,910
Nil (P.Y. 320,499) Units of Mirae Asset India Opportunities Fund - Regular - Growth	-	14,360,604
Nil (P.Y. 497,824) Units of Kotak Medium Term Fund - Growth	-	7,184,942
<b>Investment in debentures</b>		
<b>Quoted (at Fair Value through Profit &amp; Loss) (FVTPL)</b>		
Nil (P.Y. 100) Units of Rs. 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	-	15,477,000
<b>Unquoted (FVTPL)</b>		
622 (P.Y. 622) Secured Redeemable Non-Convertible Debentures of Rs. 10,000/- each of Arch Agro Industries Private Limited	1,275,100	1,275,100
<b>Investment in bonds</b>		
<b>Quoted (FVTPL)</b>		
Nil (P.Y. 1,000) 8.14% Housing and Urban Development Corporation Limited Bonds of Rs. 1,000 each	-	1,091,600
<b>Investment in equity Instruments</b>		
<b>Unquoted (at cost)</b>		
<b>In Joint venture</b>		
428,390 (P.Y. 428,390) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of Rs. 10 each	76,254,719	67,270,328
<b>Investment in preference shares</b>		
<b>Unquoted (at Fair Value through Profit &amp; Loss)</b>		
170,000 (P.Y. 170,000) 14.625% Cumulative Redeemable Preference Shares of Rs. 10/- of Edelweiss Finance & Investments Limited	2,550,000	2,550,000
1,500,000 (P.Y. 1,500,000) 8% Compulsorily Convertible Redeemable Non-Cumulative Non- Participating Preference Shares of HandyTraining Technologies Private Limited of Rs. 10 each	15,000,000	15,000,000
<b>Investment in Partnership Firm (at Amortised cost)</b>		
Datascan Services	-	429,450
India Realty Excellence Fund II LLP - Capital Account	-	5,490,146
India Realty Excellence Fund II LLP - Current Account	-	360,808
<b>Total</b>	<b>123,874,231</b>	<b>258,118,701</b>
Aggregate amount of quoted investments	28,794,412	165,742,869
Aggregate amount of unquoted investments	95,079,819	92,375,832

**Note 6 - Non-current loans**

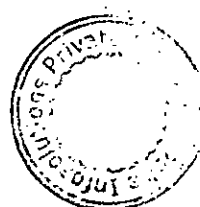
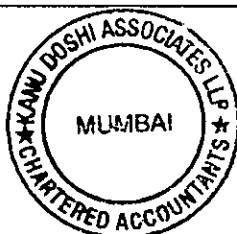
(Amount in Rs.)

Particulars	March 31, 2019	March 31, 2018
(Unsecured, considered Good, unless specified otherwise)		
<b>Others -</b>		
Loan to employees	286,184	3,694,266
<b>Total</b>	<b>286,184</b>	<b>3,694,266</b>

**Note 7 - Other non-current financial assets**

(Amount in Rs.)

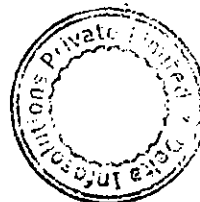
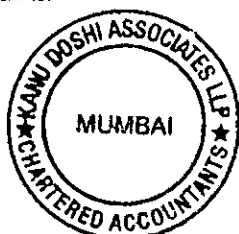
Particulars	March 31, 2019	March 31, 2018
Security deposits	108,945,851	93,848,548
Less: Allowances for doubtful deposits	(6,173,530)	-
Fixed deposits	403,012	-
Fair value of outstanding corporate guarantees (FVTPL)	8,919,562	-
Fair value of outstanding forward contracts (FVOCI)	53,765,239	41,061,366
<b>Total</b>	<b>165,860,134</b>	<b>134,909,914</b>



		(Amount in Rs.)
Note 9 - Non-current tax assets (net)		
Particulars	March 31, 2019	March 31, 2018
Advance tax and tax deducted at source (net of provision for tax)	165,454,696	93,114,867
<b>Total</b>	<b>165,454,696</b>	<b>93,114,867</b>

		(Amount in Rs.)
Note 10 - Other non-current assets		
Particulars	March 31, 2019	March 31, 2018
Capital advances	5,934,837	-
<u>Other advances -</u>		
Prepaid expenses	784,287	2,830,730
Balance with govt authorities	47,000	64,510,959
Other assets	387,911	613,565
<b>Total</b>	<b>7,154,034</b>	<b>67,955,254</b>

		(Amount in Rs.)
Note 11 - Current Investments		
Particulars	March 31, 2019	March 31, 2018
<b>Investment in mutual funds</b>		
<b>Quoted (at FVTPL)</b>		
205,295 (P.Y. 465,210) Units of Birla Sun Life Short Term Fund - Growth (Face Value of Rs.10 each)	14,708,762	30,691,578
298,051 (P.Y. 175,039) Units of ICICI Prudential Liquid - Reg- Growth (Face Value of Rs. 100 each)	82,088,726	44,877,816
280,636 (P.Y. 280,636) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of Rs. 10 each)	8,671,523	9,749,787
2,563,272 (P.Y. 1,960,938) Units of Templeton India Low Duration Fund - Growth (Face Value of Rs. 10 each)	55,725,524	39,170,914
375,340 (P.Y. 375,340) Units of IDFC Corporate Bond Fund - Growth (Face Value of Rs. 10 each)	4,778,943	4,462,119
133,518 (P.Y. 133,518) Units of Birla Sun Life Floating rate fund STP - Growth (Face Value of Rs. 10 each)	4,542,110	4,477,394
24,130 (P.Y. 19,140) Units of Reliance Liquid fund - TP - Growth (Face Value of Rs. 1,000 each)	109,531,034	79,557,693
7,118,577 (P.Y. Nil) Units of Franklin India Ultra Short Bond Fund - SIP - Daily Dividend (Face Value of Rs. 10 each)	73,423,042	-
365,487 (P.Y. Nil) Units of ICICI Prudential Liquid fund - Direct - Growth (Face Value of Rs. 100 each)	101,026,637	-
18,927 (P.Y. Nil) Units of Birla Sun Life Floating rate fund STP - Growth	4,737,070	-
471,296 (P.Y. Nil) Units of ICICI Prudential Liquid - Growth	130,274,022	-
28,449 (P.Y. Nil) Units of Axis Liquid Fund - Direct - Growth	53,366,781	-
356,025 (P.Y. Nil) Units of Birla Sun Life Cash Plus Fund - Direct - Growth	106,962,854	-
Nil (P.Y. 29,200) Units of MOMF Most N100 ETFGR	-	14,537,220
Nil (P.Y. 605) Units of Goldman Sachs Nifty Exchange Traded Scheme	-	634,796
Nil (P.Y. 6,726) Units of Birla Sun Life Treasury Optimiser Plan - MDR	-	715,283
Nil (P.Y. 500,000) Units of ICICI Prudential FMP Series 76 - 1185 days - Plan H - Growth	-	6,673,450
Nil (P.Y. 499,251) Units of Franklin India Income Opportunities Fund - Growth	-	10,310,190
Nil (P.Y. 18,927) Units of Birla Sun Life Floating rate fund STP - Growth (Face Value of Rs. 100 each)	-	4,373,608
Nil (P.Y. 53,180) Units of ICICI Prudential Liquid - Growth	-	13,674,506
Nil (P.Y. 706,929) Units of BSL Medium Term plan Growth	-	15,536,669
Nil (P.Y. 46,194) Units of Birla Sun Life Treasury Optimiser Plan - Direct - Growth	-	10,371,616
Nil (P.Y. 431,248) Units of Reliance Arbitrage Advantage Fund - Direct - Growth	-	7,888,683
<b>Investment in Portfolio Management Services (PMS)</b>		
<b>- Quoted, in Equity shares (FVOCI)</b>		
Nil (P.Y. 18) Equity Shares of Rs. 10 each of Bosch Limited	-	324,316
Nil (P.Y. 2,092) Equity Shares of Rs. 1 each of City Union Bank Limited	-	360,765
Nil (P.Y. 162) Equity Shares of Rs. 1 each of Colgate-Palmolive (India) Limited	-	171,218
Nil (P.Y. 105) Equity Shares of Rs. 10 each of Container Corporation of India Limited	-	130,736
Nil (P.Y. 260) Equity Shares of Rs. 2 each of Cummins India Limited	-	182,065
Nil (P.Y. 1,267) Equity Shares of Rs. 10 each of Development Credit Bank Limited	-	204,684
Nil (P.Y. 40) Equity Shares of Rs. 10 each of Eicher Motors Limited	-	1,134,906
Nil (P.Y. 238) Equity Shares of Rs. 1 each of Emami Limited	-	254,386
Nil (P.Y. 492) Equity Shares of Rs. 5 each of Engineers India Limited	-	77,957
Nil (P.Y. 28) Equity Shares of Rs. 10 each of GlaxoSmithkline Consumer Healthcare Limited	-	170,803
Nil (P.Y. 1,792) Equity Shares of Rs. 10 each of Hindustan Petroleum Corporation Limited	-	617,971
Nil (P.Y. 602) Equity Shares of Rs. 5 each of Kotak Mahindra Bank Limited	-	630,776
Nil (P.Y. 267) Equity Shares of Rs. 2 each of Ipca Laboratories Limited	-	175,059
Nil (P.Y. 1,207) Equity Shares of Rs. 1 each of Jammu & Kashmir Bank Limited	-	72,842
Nil (P.Y. 719) Equity Shares of Rs. 2 each of Max Financial Services Limited	-	326,031
Nil (P.Y. 32) Equity Shares of Rs. 10 each of Page Industries Limited	-	725,906
Nil (P.Y. 1,276) Equity Shares of Rs. 1 each of Voltas Limited	-	792,268
Nil (P.Y. 444) Equity Shares of Rs. 2 each of Bharat Forge Limited	-	310,645
Nil (P.Y. 1,090) Equity Shares of Rs. 1 each of Zee Entertainment Enterprises Limited	-	627,295
Nil (P.Y. 93) Equity Shares of Rs. 2 each of Alkem Laboratories Limited	-	184,917
Nil (P.Y. 937) Equity Shares of Rs. 1 each of Aegis Logistics Limited	-	243,245
Nil (P.Y. 393) Equity Shares of Rs. 2 each of L&T Technology Services Limited	-	485,591
Nil (P.Y. 563) Equity Shares of Rs. 1 each of Godrej Industries Limited	-	309,594
Nil (P.Y. 80) Equity Shares of Rs. 5 each of Maruti Suzuki India Limited	-	708,888
Nil (P.Y. 397) Equity Shares of Rs. 10 each of Bajaj Finance Limited	-	701,717
Nil (P.Y. 31) Equity Shares of Rs. 10 each of Bayer Cropscience Limited	-	131,104
Nil (P.Y. 372) Equity Shares of Rs. 10 each of APL Apollo Tubes Limited	-	739,090
Nil (P.Y. 2,087) Equity Shares of Rs. 1 each of Century Plyboard India Limited	-	681,614
Nil (P.Y. 1,868) Equity Shares of Rs. 5 each of Eveready Industries India Limited	-	700,033
Nil (P.Y. 704) Equity Shares of Rs. 10 each of IFB Industries Limited	-	804,285
Nil (P.Y. 3,889) Equity Shares of Rs. 10 each of J K Paper Limited	-	525,404
Nil (P.Y. 1,332) Equity Shares of Rs. 5 each of J.Kumar Infraprojects Limited	-	361,505
Nil (P.Y. 620) Equity Shares of Rs. 10 each of JK Cements Limited	-	629,331
Nil (P.Y. 2,999) Equity Shares of Rs. 1 each of JM Financial Limited	-	386,271
Nil (P.Y. 717) Equity Shares of Rs. 5 each of K.P.R. Mill Limited	-	453,538



Nil (P.Y. 3,403) Equity Shares of Rs. 2 each of Manappuram Finance Limited	-	371,097
Nil (P.Y. 900) Equity Shares of Rs. 10 each of Muthoot Capital Services Limited	-	672,210
Nil (P.Y. 342) Equity Shares of Rs. 10 each of Neuland Laboratories Limited	-	243,059
Nil (P.Y. 3,026) Equity Shares of Rs. 1 each of Skipper Limited	-	639,242
Nil (P.Y. 1,002) Equity Shares of Rs. 2 each of Techno Electric & Engineering Co Limited	-	374,197
Nil (P.Y. 1,303) Equity Shares of Rs. 10 each of Tejas Networks Limited	-	476,442
Nil (P.Y. 7,907) Equity Shares of Rs. 10 each of Vijaya Bank	-	411,559
Nil (P.Y. 1,608) Equity Shares of Rs. 10 each of VRL Logistic Limited	-	619,080
Nil (P.Y. 2,599) Equity Shares of Rs. 2 each of Yes Bank Limited	-	792,305
<b>Total</b>	<b>749,837,029</b>	<b>317,639,269</b>
Aggregate amount of quoted investments	749,837,029	317,639,269
Aggregate market value of quoted investments	749,837,029	317,639,269

<b>Note 12 - Trade receivables</b>		(Amount in Rs.)
<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Unsecured (Refer Note No. 42)		
Considered Good	2,480,661,212	2,047,876,304
Less :- Allowance for doubtful trade receivable (Refer Note No. 36)	19,288,878	-
	2,461,372,334	2,047,876,304
Credit Impaired	256,708,542	272,974,289
Less :- Allowance for doubtful trade receivable (Refer Note No. 36)	256,708,542	272,974,289
	-	-
<b>Total</b>	<b>2,461,372,334</b>	<b>2,047,876,304</b>

<b>Note 13 - Cash and cash equivalents</b>		(Amount in Rs.)
<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Bank balances	681,969,866	822,566,733
Cash on hand	3,637,700	2,719,617
Cheques in transit	10,746,353	500,000
<b>Total</b>	<b>696,353,919</b>	<b>825,786,350</b>

<b>Note 14 - Other bank balances</b>		(Amount in Rs.)
<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Margin money deposits*	36,286,977	23,778,526
Unpaid dividend account**	1,754,621	1,874,687
<b>Total</b>	<b>38,041,598</b>	<b>25,653,213</b>

\* Of the above Rs. 36,286,977 (P.Y. Rs. 23,778,526) are marked as lien for guarantees issued by banks on behalf of the Group.

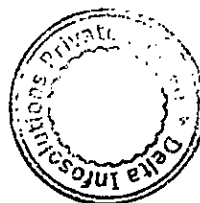
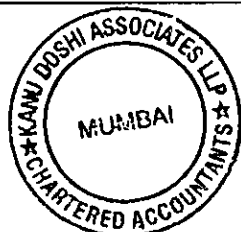
\*\* The Group can utilise balances only towards settlement of the unpaid dividend.

<b>Note 15 - Current loans</b>		(Amount in Rs.)
<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
(Unsecured, Considered Good, unless specified otherwise)		
<b>Others -</b>		
Loan to employees	3,651,771	15,974,199
<b>Total</b>	<b>3,651,771</b>	<b>15,974,199</b>

<b>Note 16 - Other current financial assets</b>		(Amount in Rs.)
<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Security deposits	8,012,704	170,499
Advances to related parties	3,824,412	102,841,148
<b>Others -</b>		
Interest accrued	60,562	224,314
Fair value of outstanding forward contracts (FVOCI)	67,418,882	-
Unbilled revenue	614,710,524	577,572,019
<b>Total</b>	<b>694,027,084</b>	<b>680,807,980</b>

<b>Note 17 - Current tax assets (net)</b>		(Amount in Rs.)
<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Advance tax and tax deducted at source (net of provision for tax)	18,862,711	-
<b>Total</b>	<b>18,862,711</b>	<b>-</b>

<b>Note 18 - Other current assets</b>		(Amount in Rs.)
<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
Balance with govt authorities	92,910,324	-
Prepaid expenses	139,235,020	114,339,005
Advance to vendors	28,395,893	10,590,530
Advance to employees	32,023,850	-
Other assets	-	1,943,413
<b>Total</b>	<b>292,565,086</b>	<b>126,872,947</b>



Note 8 - Taxation

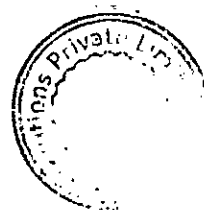
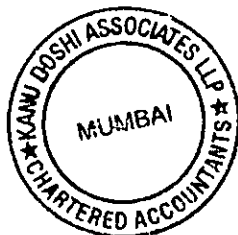
(Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
<b>8(a) - Income tax expense</b>		
<i>Current tax</i>		
Current tax on profits for the year	301,526,440	123,429,287
Adjustments for current tax of prior periods	(11,111,603)	(2,178,230)
<b>Total current tax expense</b>	<b>290,414,838</b>	<b>121,251,057</b>
<i>Deferred tax</i>		
Decrease/(Increase) in deferred tax assets	7,117,513	15,664,163
Adjustments for deferred tax of prior periods	3,125,040	(5,414,297)
<b>Total deferred tax expense/(benefit)</b>	<b>10,242,553</b>	<b>10,249,866</b>
<b>Income tax expense</b>	<b>300,657,391</b>	<b>131,500,923</b>

(Rs. in Millions)		
Particulars	March 31, 2019	March 31, 2018
<b>8(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates</b>		
Profit for the year	1,176,919,941	883,474,991
<b>Tax expense at applicable tax rate</b>	<b>337,048,993</b>	<b>278,039,723</b>
Effects of:		
Items not deductible for tax	7,051,177	(17,379,129)
Tax holiday and Exempt income	(34,898,531)	(33,314,146)
(Gain)/Loss in respect of which deferred tax (liability) / asset not recognized	(4,604,280)	(43,628,432)
Recognition of unutilized tax benefits / Unrecognized losses utilized	(35,277,617)	(8,251,538)
Taxable due to change in tax base	(2,730,095)	(7,458,003)
Basis difference that will reverse during tax holiday period	-	(41,923)
Undistributed earnings	25,203,464	(19,867,335)
Income taxed at higher / (lower) rates	(4,275,922)	5,139,072
Change in tax rate and law	3,021,670	(21,167,165)
Adjustments for current tax of prior periods	(7,986,563)	(2,178,230)
Others, net	18,095,094	1,608,029
<b>Income tax expense</b>	<b>300,647,391</b>	<b>131,500,923</b>

(Amount in Rs.)					
8(c) - Deferred tax assets					
The balance comprises temporary differences attributable to:					
Particulars	March 31, 2019	Recognized in Income statement	Recognized in OCI	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2018
<b>Deferred Tax Assets</b>					
Employee benefits	87,680,465	11,230,077	3,117,866	882,685	72,449,837
Provision for doubtful debts	71,844,121	5,844,365	-	285,852	65,713,904
Investment in subsidiaries	2,045,277	5,142,635	-	0	(3,097,358)
MAT credit	19,793,938	3,280,000	-	(77,699,656)	94,213,594
Net operating losses	10,620,216	(864,820)	-	1,461,356	10,023,681
Others	20,657,925	4,500,455	-	(24)	16,157,494
<b>Total Deferred Tax Assets</b>	<b>212,641,942</b>	<b>29,132,712</b>	<b>3,117,866</b>	<b>(75,069,787)</b>	<b>255,461,152</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	30,658,646	14,734,764	-	(833,470)	16,757,353
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	5,765,301	3,390,021	(56,062)	-	2,431,342
Cash flow hedging	39,407,674	-	50,900,000	(31,909,439)	20,417,114
Undistributed earnings	98,434,298	25,200,000	-	3,683,748	69,550,550
Others	21,591	(462,466)	-	26,948	457,109
<b>Total Deferred Tax Liabilities</b>	<b>174,287,511</b>	<b>42,862,319</b>	<b>50,843,938</b>	<b>(29,032,214)</b>	<b>109,613,468</b>
<b>Net Deferred Tax</b>	<b>38,354,432</b>	<b>(13,729,607)</b>	<b>(47,726,072)</b>	<b>(46,037,574)</b>	<b>145,847,684</b>

Note :

The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, MAT credit creation/utilisation, acquisition during the period and foreign currency translation.



Note 19 - Share capital and other equity

19(a) - Equity share capital

(i) Authorised equity share capital of face value of Rs. 5 each

Particulars	Number of shares	Amount in Rs.
As at March 31, 2017	600,000	600,000
Increase during the year	-	-
As at March 31, 2018	600,000	600,000
Increase during the year	-	-
As at March 31, 2019	600,000	600,000

(ii) Authorised redeemable preference share capital of face value of Rs. 10 each

Particulars	Number of shares	Amount in Rs.
As at March 31, 2017	650,000	650,000
Increase during the year	-	-
As at March 31, 2018	650,000	650,000
Increase during the year	-	-
As at March 31, 2019	650,000	650,000

(iii) Issued, Subscribed and Paid-up equity share capital of face value of Rs. 5 each

Particulars	Number of shares	Amount in Rs.
As at March 31, 2017	120,000	120,000
Increase during the year	-	-
As at March 31, 2018	120,000	120,000
Increase during the year	-	-
As at March 31, 2019	120,000	120,000

(iv) Movements in equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2017	120,000	120,000
Other movements	-	-
As at March 31, 2018	120,000	120,000
Other movements	-	-
As at March 31, 2019	120,000	120,000

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2019		March 31, 2018	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Lalit S. Kanodia	40,000	33.33%	20,000	16.67%
Mrs. Asha L. Kanodia	-	0.00%	20,000	16.67%
Mr. Sameer L. Kanodia	40,000	33.33%	40,000	33.33%
Vikrant Trust	40,000	33.33%	40,000	33.33%

(vi) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

19(b) - Other equity

Particulars	(Amount in Rs.)	
	March 31, 2019	March 31, 2018
Retained earnings	1,200,262,863	809,287,328
General reserve	Refer Note (i) below	586,892,376
ESOP reserve	Refer Note (ii) below	30,177,107
Capital reserve	Refer Note (iii) below	807,220,505
Capital redemption reserve	Refer Note (iv) below	744,281,246
OCI -		
Equity investments	Refer Note (v) below	8,478,631
Actuarial gains and losses	(4,260,169)	(904,584)
Cash flow hedging reserve	Refer Note (vi) below	108,495,503
Foreign currency translation reserve	Refer Note (vii) below	293,607,681
Total	3,775,155,743	3,244,291,045

Nature of reserves

(i) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss

(ii) ESOP Reserve

ESOP reserve is created for issue of share capital under RSU plan.

(iii) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company. Also Goodwill on common control transaction is adjusted against capital reserve.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(v) OCI - Equity Investments

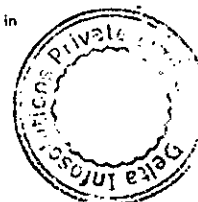
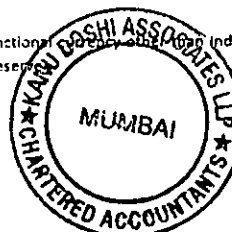
The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

(vi) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

(vii) OCI - Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.



Note 20 - Other non-current financial liabilities (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Creditor for capital expenditure	552,898	552,898
Fair value of outstanding corporate guarantees (FVTPL)	8,919,562	-
Fair value of outstanding forward contracts (FVOCI)	-	1,798,793
<b>Total</b>	<b>9,472,460</b>	<b>2,351,690</b>

Note 21 - Non-current Provisions (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.50)		
<u>Provisions for employee benefits</u>		
Gratuity	149,131,236	114,416,511
Leave encashment	79,287,947	59,716,508
<b>Total</b>	<b>228,419,183</b>	<b>174,133,019</b>

Note 22 - Current borrowings (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
<u>Working capital loan</u>		
From Directors (Unsecured)	18,100,000	-
From Banks (Secured)*	78,185,841	307,952,778
From Others (Secured)*	262,500,000	350,000,000
<b>Total</b>	<b>358,785,841</b>	<b>657,952,778</b>

\*Notes -

Working capital loans from Standard Chartered Bank, ICICI Bank, Silicon Valley Bank USA and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the company hence considered as current borrowings.

Note 23 - Trade payables (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Dues of Micro and small enterprises	125,137	-
Dues other than Micro and small enterprises	742,248,445	689,750,908
<b>Total</b>	<b>742,373,582</b>	<b>689,750,908</b>

Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

(Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
(a) Dues remaining unpaid		
- Principal	130,000	-
- Interest on above*	6,001	-
(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*	-	-

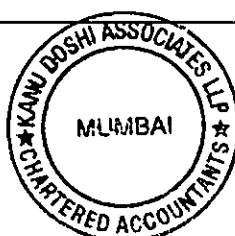
\* The Group has not provided any interest on the amount outstanding beyond stipulated period.

Note 24 - Other current financial liabilities (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Fair value of contingent consideration	96,134,253	-
Unpaid dividend	1,754,621	1,874,687
Other payables	24,059,946	18,030,918
<b>Total</b>	<b>121,948,820</b>	<b>19,905,605</b>

Note 25 - Current Provisions (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Unfunded (Refer Note No.50)		
<u>Provisions for employee benefits</u>		
Gratuity	22,286,431	11,641,834
Leave encashment	14,578,403	26,236,469
<b>Total</b>	<b>36,864,834</b>	<b>37,878,303</b>

Note 26 - Current tax liabilities (net) (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Provision for tax (net of advance tax)	54,924,159	-
<b>Total</b>	<b>54,924,159</b>	<b>-</b>

Note 27 - Other current liabilities (Amount in Rs.)		
Particulars	March 31, 2019	March 31, 2018
Statutory dues	142,455,954	111,219,608
Advance received from customers	21,819,424	-
Unearned revenue	157,208,239	79,963,816
<b>Total</b>	<b>321,483,616</b>	<b>191,183,424</b>





Note 28 - Revenue from operations		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Sales -export	7,699,480,218	6,863,539,388
Sales -domestic	3,635,424,603	2,239,146,647
<b>Total</b>	<b>11,334,904,821</b>	<b>9,102,686,036</b>

Note 29 - Other income		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Interest income	2,313,389	10,610,963
Dividend income	5,397,283	1,571,990
Profit on sale of investments carried out FVTPL	22,034,136	72,241,946
Guarantee fees received	999,996	999,996
Profit on sale of fixed assets	-	935,928
Profit from partnership firm	-	2,639,745
Unrealised gains on fair value of financial assets	20,681,411	31,540,001
Exchange gain (net)	23,446,459	148,099,315
Provision no longer required written back	1,624,942	-
Miscellaneous receipts	54,900,754	16,618,157
<b>Total</b>	<b>131,398,370</b>	<b>285,258,040</b>

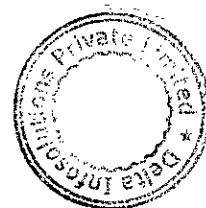
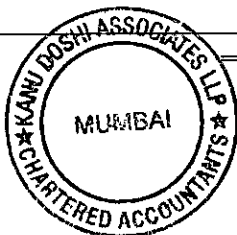
Note 30 - Purchase of products and licenses		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Purchase of IT Products and Licenses	111,486,461	96,102,859
<b>Total</b>	<b>111,486,461</b>	<b>96,102,859</b>

Note 31 - Employee benefit expenses		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Salary, Wages & Allowances	6,466,906,033	5,303,638,564
Contribution towards provident & other funds (Refer Note No. 50)	248,816,080	215,231,988
Share based compensation (Refer Note No. 44)	9,830,908	-
Staff welfare expense	165,767,870	149,976,563
<b>Total</b>	<b>6,891,320,891</b>	<b>5,668,847,114</b>

Note 32 - Finance costs		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
Interest on loan from banks	39,823,377	27,946,526
Interest on loan others	6,420,305	7,771,421
Other borrowing costs	1,466,322	4,578,356
<b>Total</b>	<b>47,710,004</b>	<b>40,296,302</b>

Note 33 - Depreciation and Amortisation Expenses		
Particulars	March 31, 2019	March 31, 2017
Depreciation on property plant and equipment	164,074,438	103,621,050
impairment of goodwill	9,220,792	-
Amortisation on intangible assets	87,050,542	99,681,644
<b>Total</b>	<b>260,345,771</b>	<b>203,302,694</b>

Note 34 - Other expenses		(Amount in Rs.)
Particulars	March 31, 2019	March 31, 2018
IT Infrastructure & Development Cost	54,069,498	21,544,036
Technical fees	953,133,167	852,407,813
Outsourcing cost	240,350,249	194,565,993
Travelling expenses	384,588,324	385,475,760
Recruitment charges	58,526,064	63,255,931
Rent	248,572,761	194,577,265
Electricity expenses	123,489,014	103,708,079
Communication charges	109,860,687	85,469,571
Rates & Taxes	35,727,065	21,569,004
Water charges	2,153,535	2,037,847
Legal & Professional expenses	196,581,429	168,755,440
Audit fees	12,680,949	14,777,983
Link Charges	52,375,308	41,658,757
Insurance	29,871,860	26,892,598
Vehicle expenses	10,335,403	7,276,543
Repairs & Maintenance expenses	142,063,437	139,314,135
Hire charges	45,764,666	36,707,769
Printing & Stationery	29,881,403	30,532,179
Subscription expenses	26,399,338	20,117,978
Bank charges	11,918,940	9,414,476
Board Sitting Fees	1,200,000	915,325
Advertisement expenses	15,306,844	19,859,918
Sales promotion	40,611,298	50,423,183
Sales commission	11,356,452	9,747,594
Security charges	28,476,076	22,013,491
Loss on sale of assets (Net)	897,446	-
Bad debts	47,686,594	11,661,746
Provision / (Reversal) for doubtful debts and advances	53,779,429	(32,683,294)
Expenditure on CSR	1,205,568	1,476,809
Miscellaneous expenses	26,599,782	15,307,624
<b>Total</b>	<b>2,995,462,589</b>	<b>2,518,781,556</b>



Note 35: Fair value measurements

Financial instruments by category

Amount in Rs.

	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	755,978,059	-	-	398,802,466	-	-
- Debentures	1,275,100	-	-	16,752,100	-	-
- Bonds	-	-	-	1,091,600	-	-
- Equity instruments	-	22,653,382	76,254,719	-	68,011,072	67,270,328
- Preference shares	15,000,000	-	2,550,000	15,000,000	-	2,550,000
- Partnership firm	-	-	-	-	-	6,280,404
Trade receivables	-	-	2,461,372,334	-	-	2,047,876,304
Cash and cash equivalents and other bank balances	-	-	696,353,919	-	-	851,439,563
Bank balances other than Cash and cash equivalents	-	-	38,041,598	-	-	-
Security deposit	-	-	110,785,025	-	-	94,019,047
Fair value of outstanding forward contracts	-	121,184,121	-	-	41,061,366	-
Loan to employees	-	-	3,937,955	-	-	19,668,465
Unbilled revenue	-	-	614,710,524	-	-	577,572,019
Other receivables	-	-	13,207,547	-	-	103,065,462
<b>Total financial assets</b>	<b>772,253,159</b>	<b>143,837,503</b>	<b>4,017,213,621</b>	<b>431,646,166</b>	<b>109,072,438</b>	<b>3,769,741,592</b>
<b>Financial liabilities</b>						
Borrowings	-	-	358,785,841	-	-	657,952,778
Trade payables	-	-	742,373,582	-	-	689,750,908
Creditor for capital expenditure	-	-	552,898	-	-	552,898
Fair Value of outstanding forward contracts	-	-	-	-	1,798,793	-
Other payables	-	-	8,919,562	-	-	19,905,605
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,110,631,883</b>	<b>-</b>	<b>1,798,793</b>	<b>1,368,162,189</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 consolidated financial statements.

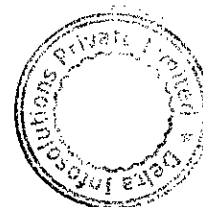
To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Amount in Rs.

Financial assets and liabilities measured at fair value At March 31, 2019	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Mutual funds	755,978,059	-	-	755,978,059
Debentures	1,275,100	-	-	1,275,100
Bonds	-	-	15,000,000	15,000,000
Preference shares	-	-	-	-
<b>Financial investments at FVOCI</b>				
Equity instruments	22,653,382	-	-	22,653,382
Outstanding forward contracts	-	121,184,121	-	121,184,121
<b>Total financial assets</b>	<b>779,906,541</b>	<b>121,184,121</b>	<b>15,000,000</b>	<b>916,090,662</b>

Amount in Rs.

Financial assets and liabilities measured at fair value At March 31, 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
<b>Financial investments at FVPL</b>				
Mutual funds	398,802,466	-	-	398,802,466
Debentures	16,752,100	-	-	16,752,100
Bonds	1,091,600	-	-	1,091,600
Preference shares	-	-	15,000,000	15,000,000
<b>Financial investments at FVOCI</b>				
Equity instruments	68,011,072	-	-	68,011,072
Outstanding forward contracts	-	41,061,366	-	41,061,366
<b>Total financial assets</b>	<b>484,657,238</b>	<b>41,061,366</b>	<b>15,000,000</b>	<b>540,718,604</b>
<b>Financial liabilities</b>				
Outstanding Forward Contracts	-	1,798,793	-	1,798,793
<b>Total financial liabilities</b>	<b>-</b>	<b>1,798,793</b>	<b>-</b>	<b>1,798,793</b>



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 2 except for unlisted equity securities and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.
- iii) **Valuation processes**  
The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, bank balances, unbilled revenue and other financial assets are considered to be the same as their fair values, due to their short-term nature.  
For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**Note 36: Financial risk management**

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on indenting services.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

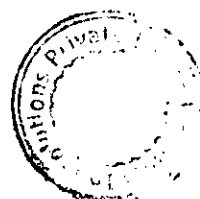
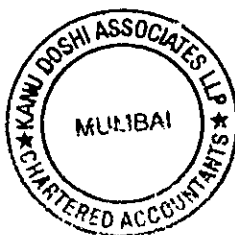
The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk affecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

- A) **Credit risk**  
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

**Credit risk management**

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2019 and March 31, 2018 is the carrying value of such trade receivables as shown in Note 12 of the financials.



Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount in Rs.
Loss allowance on March 31, 2017	306,038,079
Changes in loss allowance	(33,063,790)
Loss allowance on March 31, 2018	272,974,289
Changes in loss allowance	3,023,131
Loss allowance on March 31, 2019	275,997,420

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

C) Market risk

i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.

a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2019 and March 31, 2018 are given below :

Particulars	Currency	March 31, 2019		March 31, 2018	
		Foreign Currency	Amount in Rs.	Foreign Currency	Amount in Rs.
Receivables	USD	5,799,462	402,611,512	9,804,908	638,985,836
	GBP	1,358,470	122,366,666	1,542,420	128,539,977
	EUR	764,814	60,088,959	992,844	80,221,763
	CHF	269,767	18,748,820	508,709	34,846,587
	AUD	534,019	26,240,596	473,577	23,659,936
	AED	-	-	75,864	1,345,829
	CAD	9,828	509,173	53,675	2,712,204
	SEK	187,881	1,397,833	140,000	1,100,400
	ZAR	4,541	234,633	-	-
	Other	-	-	-	-
Payables	USD	1,399,298	96,749,899	230,830	15,043,216
	EUR	13,245	1,027,150	12,180	984,104
	CHF	6,289	437,106	24,510	1,678,955
	GBP	68,422	6,161,434	48,632	4,487,263
	AED	2	152	-	51,945
Loans	USD	-	-	1,743,069	113,595,799

b) Sensitivity

The Group is mainly exposed to changes in USD, GBP, CHF, AED and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AED and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

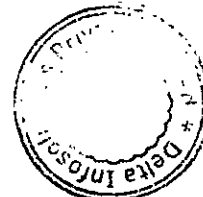
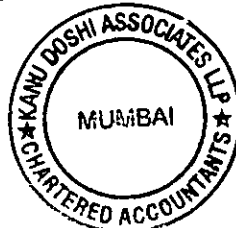
Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
USD	19,717,797	25,527,392
GBP	6,014,776	6,200,983
EUR	2,953,083	3,961,892
CHF	915,586	1,658,382
SGD	11,732	-
AUD	1,312,030	1,160,988
CAD	25,458	-
SEK	69,892	-

\* Holding all other variables constant

ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2019 and March 31, 2018, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.



a) Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
Variable rate borrowings	55,307,841	307,952,778
Fixed rate borrowings	303,478,000	350,000,000
Total borrowings	358,785,841	657,952,778

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2019			March 31, 2018		
	Weighted average interest rate %	Balance (Amount in Rs.)	% of total loans	Weighted average interest rate %	Balance (Amount in Rs.)	% of total loans
ECB and PCFC Loans	-	-	-	4.07%	113,932,778	17.32%
Demand Loan	4.38%	55,307,841	15.42%	4.20%	194,020,000	29.00%

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit after tax	
	March 31, 2019	March 31, 2018
Interest rates – Increase by 70 basis points (70 bps) *	(387,184)	(2,160,000)
Interest rates – decrease by 70 basis points (70 bps) *	387,184	2,160,000

\* Holding all other variables constant

iii) Price risk

a) Exposure

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are publicly traded.

Note 37: Capital management

a) Risk management

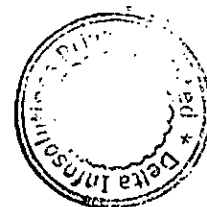
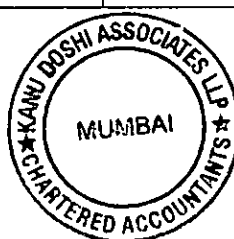
For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturities of non current borrowings.

	Amount in Rs.	
	March 31, 2019	March 31, 2018
Borrowings	358,785,841	657,952,778
Total equity	7,114,661,587	6,123,041,977
Borrowings to equity ratio	0.05	0.11

b) Dividends

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
(i) Equity shares		
Final dividend for the year ended March 31, 2018 of Rs. 0.25 (March 31, 2017 – Rs. 0.75) per fully paid share	14,737,334	44,212,003
Interim dividend for the year ended March 31, 2019 of Nil (March 31, 2018 – Rs. 0.50) per fully paid share	-	29,474,669
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Re. 1.00 per fully paid equity share (March 31, 2018 – Rs. 0.25). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	58,949,337	14,737,334



**Note 38: Segment information**

**Description of segments and principal activities**

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.

The Group organised itself into two business units, which form the operating segments for segment reporting.

The operating segments are :

- IT Services
- Business Process Management (BPM)

Particulars	621769765.8			Amount in Rs.		
	March 31, 2019			March 31, 2018		
	IT	BPM	Total	IT	BPM	Total
Revenue	6,497,671,190	4,837,233,631	11,334,904,821	4,962,088,879	4,140,597,157	9,102,686,036
Identifiable expenses	5,768,159,990	4,228,263,866	9,996,423,856	4,538,257,039	3,744,121,005	8,282,378,044
Segment results	729,511,200	608,969,765	1,338,480,965	423,831,840	396,476,152	820,307,992
Unallocable expenses			308,055,775			243,598,997
Share in profit of JV			8,984,392			22,861,441
Other income			131,398,370			285,258,040
Profit before taxes			1,168,961,867			883,474,991
Tax expenses			300,647,391			131,500,923
Profit after tax			868,314,475			751,974,068

**Segment Assets and Liabilities**

The assets and liabilities used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

**Geographic Segment**

Revenue attributable to the location of the customers is as follows :

Geographic Location	Amount in Rs.	
	March 31, 2019	March 31, 2018
USA	7,039,091,145	5,571,795,886
Europe	2,076,152,480	1,595,335,652
Rest of World	2,219,661,196	1,935,554,498
<b>Total</b>	<b>11,334,904,821</b>	<b>9,102,686,036</b>

**Note 39: Business combinations**

**Summary of acquisitions**

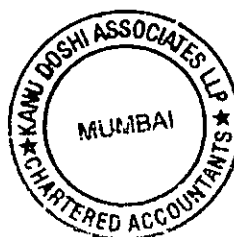
- On April 7, 2018 the one of the subsidiary, Datamatics Global Services acquired 75.00% of the Issued share capital of RJ Globus Solutions Inc (RJ Globus). The principal activities of the company is to engage in call centre and BPO services, Inbound and outbound and data processing.
- On March 17, 2019 one of the subsidiary, Datamatics Digital Limited acquired 51.00% of the Issued share capital of Datamatics Staffing Services Limited (DSSL).

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	Amount in Rs.	
	RJ Globus	DSSL
	Amount	Amount
Cash paid	30,400,000	74,460,000
Contingent Consideration	32,550,000	-
<b>Purchase consideration</b>	<b>62,950,000</b>	<b>74,460,000</b>

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Amount in Rs.	
	RJ Globus	DSSL
	Amount	Amount
Property, plant & equipments	58,787,039	2,601,774
Security deposits	17,591,237	432,755
Deferred tax asset	-	1,839,959
Trade receivables	16,263,028	12,358,862
Cash & Bank Balances	1,857,187	2,385,037
Liquid Investments	-	1,588,047
Advance tax payment (net of provision)	(949,924)	3,178,000
Loans & advances	1,562,232	1,230,004
Customer advance	-	(247,544)
Employee benefits provision	-	(4,302,049)
Trade payables	(35,642,962)	(1,081,212)
Borrowings	(76,690,420)	(18,100,000)
Statutory liabilities	(16,907,292)	(1,682,979)
Unearned Revenue	(15,611,276)	-
<b>Net identifiable assets acquired</b>	<b>(49,741,150)</b>	<b>200,654</b>



Calculation of goodwill

Particulars	Amount in Rs.	
	RJ Globus	DSSL
	Amount	Amount
Consideration transferred	62,950,000	74,460,000
Non-controlling interest in the acquired entity	(12,440,000)	(5,000,834)
Net identifiable assets acquired	49,741,150	(200,654)
Goodwill	100,251,150	69,258,512

Acquisition related costs

Acquisition related costs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

- (iii) On March 19, 2019 the parent entity acquired additional 10.00% in Datamatics Digital Limited (DDL).

Particulars	Amount in Rs.
Opening net assets	177,935,677
Profit for the period ended March 18, 2019	96,133,262
Net worth as at acquisition date	274,068,939
Additional stake of 10%	27,406,894
Purchase consideration	55,000,000
Capital Reserve / (Goodwill)	(27,593,106)

There is a change in contingent consideration payable to the non-controlling interest of DDL

Reconciliation of contingent consideration

Particulars	Amount in Rs.
Contingent consideration on March 31, 2018	159,000,000
Change on account of change in consideration	12,000,000
Change on account of acquisition of additional stake	(55,000,000)
Contingent consideration on March 31, 2019	116,000,000

Note 40: Interests in joint venture

- a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2019 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

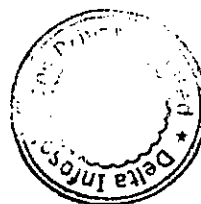
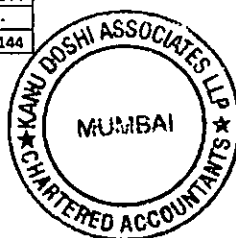
Name of entity	Place of business	ownership Interest	Relationship	Accounting method	Amount in Rs.	
					Carrying amount	
					March 31, 2019	March 31, 2018
Cybercom Datamatics Information Solutions Limited	India	26.90%	Joint venture	Equity	76,254,719	67,270,328

- b) Summarised financial information for joint venture

Summarised balance sheet	Amount in Rs	
	March 31, 2019	March 31, 2018
Current assets		
Cash and cash equivalents	3,665,100	2,973,628
Other assets	112,576,261	92,633,605
Total current assets	116,241,361	95,607,233
Property, Plant & equipment	40,286,722	40,881,018
Other assets	8,204,244	8,132,010
Total non-current assets	48,490,966	49,013,028
Current liabilities		
Financial liabilities	6,054,258	4,543,876
Other liabilities	729,618	820,658
Total current liabilities	6,783,876	5,364,534
Non-current liabilities		
Other liabilities	6,949,001	6,047,157
Total non-current liabilities	6,949,001	6,047,157
Net assets	150,999,450	133,208,570

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
Opening net assets	133,208,570	192,198,020
Profit for the year	39,570,000	38,570,000
Other comprehensive income	110,880	176,550
Dividends paid including tax	(21,890,000)	(97,736,000)
Closing net assets	150,999,450	133,208,570
Group's share in %	50.50%	50.50%
Group's share in INR	76,254,719	67,270,328
Carrying amount	76,254,719	67,270,328

Particulars	Amount in Rs.	
	March 31, 2019	March 31, 2018
Revenue	105,186,834	82,071,738
Other income	2,849,977	12,049,845
Depreciation and amortisation	(2,092,950)	(1,747,641)
Finance costs	(999,996)	(1,001,247)
Other expenses	(54,400,152)	(41,072,981)
Income tax expense	(10,975,272)	(11,733,574)
Profit for the year	39,568,441	38,566,140
Other comprehensive income	114,283	166,004
Total comprehensive income	39,682,724	38,732,144
Less: Relating to earlier year	21,892,142	-
Profit attributable	17,790,582	38,732,144





Note 41: Earnings per share

Particulars	March 31, 2019	31 March 2018
(a) Net Profit after taxation attributable to equity shareholders (Amount in Rs.)	425,673,582	382,811,739
(b) Weighted average number of outstanding equity shares considered for Basic EPS	120,000	120,000
(c) Nominal value per equity share (in Rs.)	1.00	1.00
(d) Earnings per share		
Basic earning per share (in Rs.) (a/b)	3,547	3,190
Diluted earning per share (in Rs.) (d/b)	3,547	3,190

Note 42: Related party transactions

A As required under Ind AS 24 – "Related Party Disclosures", following are details of transactions during the year with the related parties of the Company and its subsidiaries as defined in Ind AS-

The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

Transactions and balances with its own subsidiaries are eliminated on consolidation

(i) (A) Joint Venture Company

Cybercom Datamatics Information Solutions Limited  
LDR eRetail Limited  
Elevondata Labs Holdings Inc. (till March 15, 2018)  
Elevondata Labs Private Limited (till March 15, 2018)  
Elevondata LLC (till March 15, 2018)

(B) Partnership firm, in which Company is a Partner :  
Datascan Services

(C) Key Managerial Personnel

Dr. Lalit S. Kanodia, Chairman  
Mr. Rahul L. Kanodia, Vice Chairman & CEO  
Mr. Sameer L. Kanodia, Director  
Ms. Divya Kumari, Company Secretary  
Mr. Sandeep Mantri, Chief Financial Officer

(D) Relatives of Key Managerial Personnel and

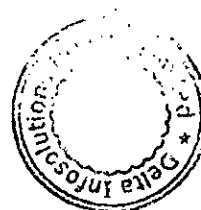
Enterprise owned by Key Managerial Personnel

Mrs. Asha L. Kanodia  
Mrs. Aneesha Dalmia  
Mrs. Priyadarshini Kanodia  
Datamatics Staffing Services Limited (till March 17, 2019)  
Datamatics Business Solutions Limited  
Datamatics Infotech Services Private Limited  
Anemone Management Consultancy Private Limited

(ii) Details of transactions with the related parties stated in (i) above :

Amount in Rs.

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
(A)	Transactions during the year								
i	Revenue from operations	-	-	-	-	-	-	5,598,110	1,184,600
	Datamatics Business Solutions Limited	-	-	-	-	-	-	5,598,110	1,184,600
ii	Outsourcing cost	-	-	-	-	-	-	-	721,413
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	721,413
iii	Expenses incurred by related parties	3,381,962	3,171,723	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	3,381,962	3,171,723	-	-	-	-	-	-
iv	Expenses incurred for related parties	-	-	-	-	-	-	406,000	-
	Datamatics Infotech Services Private Limited	-	-	-	-	-	-	406,000	-
v	Recruitment expenses	-	-	-	-	-	-	-	3,500,517
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	3,500,517
vi	Legal and professional fees	-	-	-	-	-	-	260,637	713,092
	Datamatics Business Solutions Limited	-	-	-	-	-	-	260,637	268,432
	Mrs. Aneesha Dalmia	-	-	-	-	-	-	-	444,660
vii	Communication expenses	-	-	-	-	-	-	1,787	14,893
	Datamatics Business Solutions Limited	-	-	-	-	-	-	1,787	14,893
viii	Managerial remuneration	-	-	-	-	22,063,347	21,324,208	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	8,050,176	7,311,799	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	10,551,997	9,930,238	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	3,461,173	4,082,171	-	-
ix	Salaries and allowances	-	-	-	-	15,909,171	14,677,612	3,129,936	2,735,886
	Mrs. Priyadarshini R. Kanodia	-	-	-	-	-	-	3,129,936	2,735,886
	Ms. Divya Kumari	-	-	-	-	8,494,203	7,825,047	-	-
	Mr. Sandeep Mantri	-	-	-	-	7,414,968	6,852,565	-	-
x	Commission	-	-	-	-	7,700,000	9,982,000	205,000	145,000
	Dr. Lalit S. Kanodia	-	-	-	-	3,850,000	4,991,000	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	3,850,000	4,991,000	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	205,000	145,000



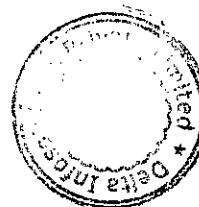
Amount in Rs.

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>xi</b>	<b>Board sitting fees</b>	-	-	-	-	20,000	-	190,000	125,000
	Dr. Lalit S. Kanodia	-	-	-	-	10,000	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	10,000	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	190,000	125,000
<b>xii</b>	<b>Purchase of Property, plant and equipment</b>	-	-	-	-	-	-	780,000	569,734
	Mrs. Aneesha Dalmia	-	-	-	-	-	-	780,000	569,734
<b>xiii</b>	<b>Corporate guarantee fees</b>	999,996	999,996	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	999,996	999,996	-	-	-	-	-	-
<b>xiv</b>	<b>Profit from Partnership Firm</b>	-	-	-	2,614,236	-	-	-	-
	Datascan Services	-	-	-	2,614,236	-	-	-	-
<b>xv</b>	<b>Sale of Investment in Partnership Firm</b>	-	-	429,450	-	-	-	-	-
	Datascan Services	-	-	429,450	-	-	-	-	-
<b>xvi</b>	<b>Interest expenses</b>	-	-	-	-	-	3,320,877	-	1,240,767
	Dr. Lalit S. Kanodia	-	-	-	-	-	1,040,055	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	-	2,280,822	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	-	1,240,767
<b>xvii</b>	<b>Repayment of borrowings during the year</b>	-	-	-	-	-	72,800,000	-	27,200,000
	Dr. Lalit S. Kanodia	-	-	-	-	-	22,800,000	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	-	50,000,000	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	-	27,200,000
<b>xviii</b>	<b>Borrowings</b>	-	-	-	-	18,100,000	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	18,100,000	-	-	-
<b>xix</b>	<b>Dividend Paid</b>	-	-	-	-	1,176,016	25,560,078	1,194,762	12,533,809
	Dr. Lalit S. Kanodia	-	-	-	-	807,749	10,598,744	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	52	261	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	368,215	14,961,073	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	826,315	10,691,573
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	368,447	1,842,236
<b>xx</b>	<b>Loans and advances refunded during the year</b>	7,930	11,005	33,963,890	-	-	-	215,209	480,907
	Cybercom Datamatics Information Solutions Limited	7,930	11,005	-	-	-	-	-	-
	Datascan Services	-	-	33,963,890	-	-	-	-	-
	Anemone Management Consultancy Private Limited	-	-	-	-	-	-	215,209	-
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	480,907
<b>xxi</b>	<b>Loans and advances given during the year</b>	241,082	56,607	-	-	-	-	264,658	2,132,291
	Cybercom Datamatics Information Solutions Limited	241,082	56,607	-	-	-	-	-	-
	Anemone Management Consultancy Private Limited	-	-	-	-	-	-	-	132,291
	Datamatics Staffing Services Limited	-	-	-	-	-	-	264,658	2,000,000

Amount in Rs.

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
<b>{B}</b>	<b>Balance as on March 31</b>								
<b>i</b>	<b>Loans and advances receivable</b>	554,221	321,068	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	554,221	321,068	-	-	-	-	-	-
	LDR e-Retail Limited	-	-	-	-	-	-	-	-
<b>ii</b>	<b>Payables</b>	-	480,438	-	-	27,300,000	11,299,000	-	50,197
	Dr. Lalit S. Kanodia	-	-	-	-	21,950,000	4,991,000	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	3,850,000	4,991,000	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	1,500,000	1,317,000	-	-
	Anemone Management Consultancy Private Limited	-	-	-	-	-	-	-	-
	Elevoidata Labs Private Limited	-	480,438	-	-	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	-	50,197
<b>iii</b>	<b>Receivables</b>	224,997	149,998	-	33,963,890	-	-	3,433,634	1,644,833
	Datamatics Business Solutions Limited	-	-	-	-	-	-	3,433,634	1,644,833
	Datascan Services	-	-	-	33,963,890	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	224,997	149,998	-	-	-	-	-	-
<b>iv</b>	<b>Guarantees</b>	50,000,000	50,000,000	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	50,000,000	50,000,000	-	-	-	-	-	-

Related parties are being recognized / identified by the Management and relied upon by the auditors.



**Note 43: Leases**

**Non-cancellable operating leases**

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 34. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

Amount in Rs.		
	March 31, 2019	March 31, 2018
Within one year	125,168,597	145,359,348
Later than one year but not later than five years	178,617,067	232,087,986
Later than five years	-	-

Amount in Rs.		
	March 31, 2019	March 31, 2018
Rental expense relating to operating leases		
Total rental expense relating to operating leases	248,572,761	194,577,265

**Notes:**

- Future lease payments are determined on the basis of terms of the lease agreement.
- At the expiry of term of the agreement, the Group has an option either to return the leased asset or extend the term by giving a notice in writing.
- There are no sublease payments as well as no contingent rent.

**Note 44: Restricted Stock Unit Plan 2016**

One of the subsidiary has granted "Restricted Stock Units" under "LDL RSU PLAN 2016" The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the Company shall be the primary requirement of the vesting.

Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of Rs. 10 per option. The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant.

During the year, an amount of Rs. 9.83 million (P.Y. Nil) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus & Allowances and the same has been disclosed under Reserves and Surplus -Employee Stock Option Reserve.

**Note 45: Events occurring after the reporting period**

**Dividend**

Dividends paid during the year ended March 31, 2019 include an amount of Rs. 0.25 per equity share towards final dividend for the year ended March 31, 2018. Dividends declared by the Group are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 9, 2019, the Board of Directors of the Company have proposed a final dividend of Re. 1.00 per share in respect of the year ended March 31, 2019 subject to the approval of shareholders at the Annual General Meeting.

**Note 46 : Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited, Datamatics Global Services Limited and their respective shareholders**

- Delta Infosolutions Private Limited ('DIPL') was a part of a Composite Scheme of Arrangement ("Scheme") between DIPL, Datamatics Infotech Services Private Limited ('DISPL'), Datamatics Global Services Limited ('DGSL') and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on April 27, 2018. The scheme had the appointed date of June 1, 2018. Since the Scheme involved a listed company (i.e. DGSL), DGSL was also required to seek approval of the public shareholders by way of e-voting in terms of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended by circular no. CFD/DIL3/CIR/2018/2 dated January 3, 2018 ('SEBI circulars'). The SEBI Circulars provide that the Scheme shall be acted upon only if the votes cast by the Public Shareholders of DGSL (i.e. listed company) in favour of the proposal are more than the number of votes cast by the Public Shareholders against it. The votes cast by the public shareholders of DGSL and the consolidated result in respect of public shareholders, was intimated to the Stock Exchanges, based on which the said requisite majority required under the SEBI Circulars for approval of the Scheme was not obtained since the votes cast by the public shareholders of DGSL in favour were less than the votes cast against the same. Therefore, pursuant to the same, the Scheme was withdrawn.

**Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and their respective shareholders**

- Post the above withdrawal, DIPL is a part of a Scheme of Arrangement between DIPL, DISPL and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on May 30, 2019. This scheme has the appointed date of April 1, 2019. The scheme inter-alia provides for demerger of demerged undertaking (as defined under the Scheme) of DIPL into DISPL in accordance with Section 2(19AA) of the Income-tax Act, 1961. The Hon'ble National Company Law Tribunal, Mumbai Bench has vide order dated 22nd August, 2019, has admitted the application for giving effect to this Scheme of Arrangement.



**Note 47: 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.

		Amount in Rs.	
		March 31, 2019	March 31, 2018
<b>Contingent Liabilities to the extent not provided for:</b>			
(a) <b>Claims against the Group not acknowledged as debt:</b>			
(i) Income Tax matters		21,643,255	126,654,945
(ii) Service Tax matters			6,927,756
(iii) PF related matters			
The Supreme Court in a recent judgement has held that provident fund contributions are payable on basic wage, dearness allowances and all other monthly allowances, which are ordinarily paid to all the employees in the establishment of the Board. There are numerous interpretative issues relating to the judgement and the matter remains sub judice. As a matter of caution, the Group is consulting in respect of the matter and will make provision on a prospective basis once there is a clarity. However, the impact will be immaterial.			
(b) <b>Details of guarantees outstanding as at:</b>			
(i) Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture		98,000,000	98,000,000
(ii) Guarantees given by banks		341,704,492	165,290,830
(c) <b>Capital and other commitments:</b>			
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)		5,934,837	-
(ii) Estimated amount payable under business development agreement to business consultant (USD 0.26 million)		17,699,840	16,683,520

**Note 48: Forward contracts in foreign currencies**

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Amount in Rs.		
Particulars	March 31, 2019	March 31, 2018
Not later than one month	244,853,408	170,790,000
Later than one month and not later than three months	515,869,112	369,900,000
Later than three months and not later than one year	1,976,868,296	1,333,270,000
Later than one year	1,566,051,114	392,560,000
<b>Total</b>	<b>4,303,641,929</b>	<b>2,266,520,000</b>

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

The following are outstanding foreign exchange forward contracts, which have been designated as cash flow hedges, to

Amount in Rs.						
	March 31, 2019			March 31, 2018		
Foreign Currency	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	628	41,915,200	75,938,967	273	25,880,000	58,690,000
Euro	35	1,785,000	5,910,000	7	420,000	(625,921)
Sterling Pound	212	11,100,000	39,330,000	92	4,300,000	(18,801,467)
<b>Total</b>			<b>121,178,967</b>			<b>39,262,612</b>

Net gain on derivative instruments of Rs. 121,178,967 (P.Y. Rs. 39,262,612) recognised in Hedging Reserve as of March 31, 2019, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2021.

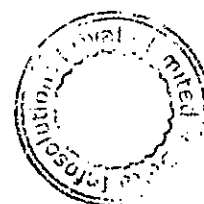
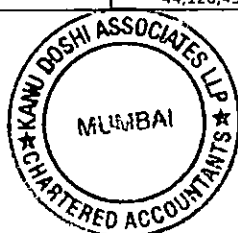
**Note 49: Revenue from contract with major customers**

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2019 and March 31, 2018.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:

Particulars	Amount in Rs.
Balance at beginning of the year	62,507,026
Revenue recognised during the year	139,302,390
Invoices raised during the year	157,682,958
<b>Balance at the end of the year</b>	<b>44,126,459</b>



Note 50: 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.

		Amount in Rs.	
		March 31, 2019	March 31, 2018
I.	<b>Defined Contribution Plan</b>		
	<b>Charge to the Statement of Profit and Loss based on contributions:</b>		
	Employers contribution to provident fund	138,631,949	118,742,223
	Employers contribution to other foreign defined contribution plans	85,590,850	75,513,614
	Employers contribution to employees' state insurance	21,613,994	18,637,961
	Employers contribution to employees' pension scheme 1995	2,712,959	78,709
	Employers contribution to labour welfare fund and others	276,329	2,260,146
	Included in contribution to provident fund and other funds (Refer Note No.31)	248,826,080	215,232,653

II. Defined benefit plan

i) Movement in Present Value of Obligation

		Amount in Rs.			
		Gratuity		Leave encashment	
Particulars		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Present Value of Obligation as at the beginning	129,131,618	100,666,278	83,449,822	80,510,671
	Current service cost	23,257,969	22,153,111	28,791,710	21,929,218
	Interest expense or cost	9,968,524	7,213,425	6,445,028	5,764,529
	Re-measurement (or Actuarial) (gain) / loss arising from:				
	- change in demographic assumptions	(933,790)	(3,090,000)	119,337	(2,050,000)
	- change in financial assumptions	5,753,088	(14,190,000)	5,030,565	(7,140,000)
	- experience variance (i.e. actual experience vs assumptions)	5,711,703	20,966,981	(430,840)	9,128,739
	Past Service Cost	13,348,209	11,756,011	-	-
	Benefits Paid	(18,498,521)	(18,770,000)	(33,260,070)	(24,700,000)
	Acquisition adjustment	61,294,131	-	23,918,812	-
	Present Value of Obligation as at the end	111,256,153	126,710,376	68,991,520	83,449,822

ii) Expenses recognised in the income statement and other comprehensive income

		Amount in Rs.			
		Gratuity		Leave encashment	
Particulars		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Current service cost	23,628,803	22,153,111	29,461,334	21,929,218
	Past service cost	17,000,000	11,756,011	-	-
	Net interest cost on the net defined benefit liability	10,162,123	7,213,425	5,569,438	5,764,529
	Actuarial (gains) / losses	-	-	8,543,773	(58,676)
	Expenses recognised in Profit & Loss Account	10,377,633	41,122,547	26,234,765	27,635,071
	Other Comprehensive Income -				
	Actuarial (gains) / losses	-	-	-	-
	- change in demographic assumptions	-	(3,090,000)	-	-
	- Change in financial assumptions	36,723	(14,190,000)	-	-
	- Experience variance	10,531,785	20,966,981	-	-
	Expenses recognised in OCI	7,033,175	3,690,820	-	-

iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

		Amount in Rs.			
		Gratuity		Leave encashment	
Particulars		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	Discount Rate (per annum)	7.60% - 7.76%	6.90% - 7.70%	7.60% - 7.76%	7.70%
	Salary growth rate (per annum)	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%
	Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08

iv) Sensitivity Analysis

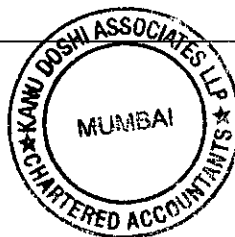
		Amount in Rs.			
		Gratuity		Leave encashment	
Particulars		March 31, 2019		March 31, 2018	
		Decrease	Increase	Decrease	Increase
	Discount rate (- / + 0.5%)	107,075,993	96,805,349	79,251,640	70,435,755
	Discount rate (- / + 1%)	62,809,912	50,280,570	59,397,512	45,989,261
	Salary growth rate (- / + 0.5%)	96,630,332	107,230,239	70,591,678	78,995,375
	Salary growth rate (- / + 1%)	50,260,352	62,614,767	45,893,124	59,404,904
	Attrition rate (1 / + 1%)	-	-	74,573,631	74,705,829
	Attrition rate (1 / + 0.5%)	32,664,151	33,712,374	7,377,324	7,268,935
	Attrition rate (1 / + 0.25%)	123,824,988	124,592,470	43,728,414	45,552,790
	Mortality rate (- / + 1%)	-	-	74,529,985	74,752,878
	Mortality rate (- / + 10%)	157,209,561	157,571,357	51,988,241	52,148,770

Sensitivity Analysis

		Amount in Rs.			
		Leave encashment		Gratuity	
Particulars		March 31, 2019		March 31, 2018	
		Decrease	Increase	Decrease	Increase
	Discount rate (- / + 0.5%)	52,090,000	40,540,000	50,375,611	42,587,722
	Discount rate (- / + 1%)	60,009,453	49,139,699	40,574,745	34,538,806
	Salary growth rate (- / + 0.5%)	40,340,000	52,250,000	42,456,488	50,472,763
	Salary growth rate (- / + 1%)	48,925,243	60,145,883	34,422,805	40,663,795
	Attrition rate (1 / + 1%)	-	-	41,780,830	49,126,668
	Attrition rate (1 / + 50%)	64,072,118	70,412,954	16,513,142	17,836,996
	Attrition rate (1 / + 25%)	31,521,391	32,853,075	19,622,374	20,382,415
	Mortality rate (- / + 1%)	-	-	46,092,645	46,171,718
	Mortality rate (- / + 10%)	99,760,072	99,979,194	37,304,748	37,330,279

v) Maturity profile of Defined Benefit obligation

		Amount in Rs.	
		Gratuity	Leave encashment
Expected Cash flow over the next (valued on undiscounted basis)		Amount	Amount
	1 Year	21,528,842	14,198,912
	2 to 5 years	40,357,191	26,753,477
	6 to 10 years	62,406,618	30,166,446
	More than 10 years	387,966,544	190,909,057



Note 51: Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive Income (OCI)		Share in Total comprehensive Income (TCI)	
	As % of consolidated net assets	Amount In Rs.	As % of consolidated profit or loss	Amount In Rs.	As % of consolidated OCI	Amount In Rs.	As % of consolidated TCI	Amount In Rs.
Delta Infosolutions Private Limited	4%	466,433,861	4%	31,503,576	5%	2,288,704	4%	33,792,280
Subsidiaries								
Indian								
Datamatics Global Services Limited	38%	4,765,590,666	32%	292,358,308	55%	25,416,015	34%	317,774,323
Cignex Datamatics Technologies Limited	3%	347,810,000	5%	48,862,879	-3%	(1,340,000)	5%	47,522,879
Lumina Datamatics Limited	17%	2,112,450,000	11%	101,940,000	12%	5,550,000	11%	107,490,000
Datamatics Robotics Software Limited	0%	2,472,007	-1%	(6,151,092)	-3%	(1,376,901)	-1%	(7,527,993)
LD Publishing & eRetail Limited	0%	468,888	0%	(25,112)	0%	-	0%	(25,112)
LDR eRetail Limited	0%	16,650,000	0%	1,010,000	0%	10,000	0%	1,020,000
Datamatics Digital Limited	2%	257,320,000	11%	94,670,000	-2%	(1,090,000)	10%	93,580,000
Datamatics Staffing Services Limited	0%	10,444,961	0%	397,356	0%	(78,284)	0%	319,072
RJ Globus Solutions Private Limited	0%	94,870	0%	(5,130)	0%	-	0%	(5,130)
Attune Infocom Private Limited	0%	12,560,000	0%	2,820,000	0%	170,000	0%	2,990,000
Foreign								
Datamatics Global Services Inc.	4%	538,923,846	14%	122,161,374	2%	1,051,050	13%	123,212,424
Datamatics Robotics Software Inc.	0%	(266,923)	0%	(965,428)	0%	(8,306)	0%	(973,734)
Datamatics Infotech Limited	1%	161,469,335	5%	46,633,117	2%	769,070	5%	47,402,186
Datamatics Global Services Pty. Limited	0%	16,856,716	1%	6,557,070	0%	230,865	1%	6,787,935
Datamatics Global Technologies Limited	8%	1,010,293,309	0%	1,026,322	0%	8,830	0%	1,035,152
Datamatics Global Technologies AG	0%	552,451	0%	(1,052,220)	0%	(16,101)	0%	(1,068,321)
Techjini Inc	0%	19,787,563	1%	4,511,634	2%	870,000	1%	5,381,634
RJ Globus Solutions Inc	0%	(201,127)	3%	23,201,720	0%	-	2%	23,201,720
RJ Globus Inc	0%	667,045	0%	(24,567)	0%	-	0%	(24,567)
Cignex Datamatics Corporation	0%	(43,480,000)	-1%	(9,220,000)	0%	-	-1%	(9,220,000)
Cignex Datamatics Inc.	2%	288,500,000	11%	95,022,835	-105%	(48,794,015)	5%	46,228,820
Cignex Datamatics Pte. Limited	0%	12,120,000	0%	2,820,000	0%	-	0%	2,820,000
Cignex Datamatics UK Limited	0%	(1,370,000)	0%	(230,000)	0%	-	0%	(230,000)
Cignex Datamatics GmbH	0%	2,020,000	0%	440,000	0%	-	0%	440,000
Duo Consulting, Inc.	0%	44,420,000	0%	3,840,000	0%	-	0%	3,840,000
Datamatics Global Services FZ LLC	1%	115,571,704	-1%	(6,864,391)	0%	(54,258)	-1%	(6,918,649)
Datamatics Global Services Corp.	0%	22,921,568	0%	(1,056,421)	0%	-	0%	(1,056,421)
Lumina Datamatics Inc.	18%	2,229,860,000	5%	48,450,000	135%	62,920,000	12%	111,370,000
Lumina Datamatics GmbH	0%	16,620,000	0%	690,000	0%	-	0%	690,000
Lumina Datamatics Assessment and Analytics, LLC	1%	107,880,000	0%	(3,690,000)	0%	-	0%	(3,690,000)
Total	100%	12,535,440,740	100%	899,631,833	100%	46,526,668	100%	946,158,501
Adjustments arising out of consolidation		(5,819,185,058)		(40,302,426)		126,724,662		86,422,236
Share of Profit In Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		8,984,392		-		8,984,392
Non Controlling Interest								
Indian Subsidiaries								
Lumina Datamatics Limited		28,949,835		(3,184,246)		(1,370,000)		(4,554,246)
Attune Infocom Private Limited		16,690,000		(1,380,000)		-		(1,380,000)
Datamatics Digital Limited		52,363,609		(28,420,000)		80,000		(28,340,000)
Datamatics Staffing Services Limited		5,157,179		(194,705)		38,359		(156,345)
Datamatics Global Services Limited		4,733,790		(342,963,536)		-		(342,963,536)
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		17,200,000		1,290,000		-		1,290,000
RJ Globus Solutions Inc		(57,653)		(12,377,635)		-		(12,377,635)
Cignex Datamatics Corporation		229,649,144		(54,115,575)		19,090,000		(35,025,575)
Duo Consulting, Inc.		43,720,000		(1,294,520)		-		(1,294,520)
Total		(5,420,779,154)		(473,958,251)		144,563,021		(329,395,230)
Consolidated Net Assets / Profit after tax / OCI / TCI		7,114,661,586		425,673,582		191,089,689		616,763,271

Note 52: Note on Non-banking financial institution company

With effect from May 31, 2018 the Company has become a non-systematically important Core Investment Company as referred to in Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Regulations") pursuant to Para 6 of Master Direction - Exemptions from provisions of RBI Act, 1934 (Master Direction DNBR.PD. 001/03.10.119/2016-17 dated August 25, 2016). Hence it is not required to obtain the COR u/s. 45IA of the Act.



Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

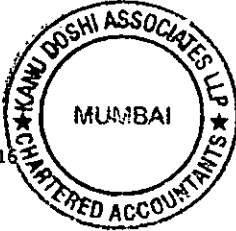
Note 53: Previous Year Figures

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096



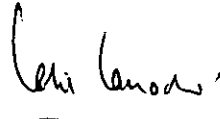

Kunal Vakharia  
Partner  
Membership No. 148916



Place : Mumbai  
Date : September 3, 2019



For and on behalf of the Board

Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801

AB



## **Independent Auditor's Report**

To,  
The Members of DELTA INFOSOLUTIONS PRIVATE LIMITED

## **Report on Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying Consolidated Financial Statements of **DELTA INFOSOLUTIONS PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as "the Group") and its joint venture in Annexure A, which comprises of the Consolidated Balance Sheet as at March 31, 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

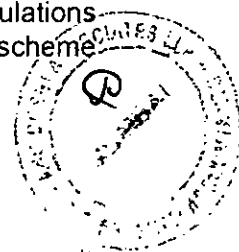
In our opinion and to the best of our information and according to the explanations given to us and based on our audit and on the consideration of report of the other auditor on consolidated financial statements of the subsidiary company referred to in point 2 in the paragraph on "Other Matters" below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their Consolidated state of affairs of the Group and its Joint Venture as at March 31, 2020 and their consolidated financial performance (comprising of consolidated profit and consolidated other comprehensive income), their consolidated Cash flow and consolidated statement of changes in equity for the year ended on that date.

### **Basis of Opinion**

We conducted our audit 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 Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group and its Joint venture in accordance with the Code of Ethics issued by The Institute of Chartered Accountant of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Other Matters**

1. We draw attention to Note No. 49 of the Consolidated Financial Statements which mentions that the Company was a part of a Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited (DISPL) and their respective shareholders u/s 232 read with section 230 along with other provisions of the Companies Act 2013 and rules and regulations made thereunder approved by the Board of Directors of the company. The scheme



provided for demerger of Demerged undertaking Delta Infosolutions Private Limited into DISPL with an effective date of April 01, 2019.

2. We did not audit the Consolidated financial statements / information of Datamatics Global Services Limited (Subsidiary Company) which includes 28 step down subsidiaries and one joint venture included in the consolidated financial statements whose financial statements reflect total assets of Rs. 10,20,30,66,481/- as at March 31, 2020 and total revenue of Rs. 12,03,32,43,280/-, net cash inflow of Rs. 1,25,19,95,314 /- , total comprehensive income (comprising of profit and other comprehensive income) of Rs. 67,44,47,278/- for the year ended March 31, 2020. This Consolidated financial statements of Subsidiary Company and other financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of this subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report is not modified in respect of these matters.

#### **Key Audit Matters**


Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated Financial position, the consolidated Financial performance, of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal Financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the Financial reporting process of the Group.

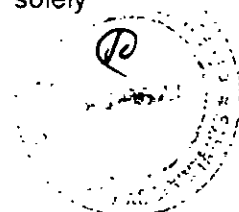


**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal Financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the consolidated Financial Statements of which we are the independent auditors. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.



We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

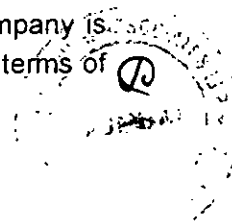
We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on Consolidated financial statements of a subsidiary referred to in Point 1 in the paragraph on "Other Matters", we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company, its subsidiaries included in the Group and Joint Venture, so far as appears from our examination of those books and report of the other auditor.
- c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and Joint Venture including relevant records for the purpose of preparation of the aforesaid consolidated financial statements.
- d) In our opinion, the consolidated 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 of the Company as on March 31, 2020, taken on record by the Board of Directors of the Company, none of the Directors of the Company and its associate company 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 Holding Company and its subsidiaries and its Joint Venture and the operating effectiveness of such controls, refer to our separate report in "Annexure A";

g) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Subsidiary companies and its joint venture incorporated in India, wherever applicable, to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Subsidiary companies and its joint venture incorporated in India 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.


h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 50 to the consolidated financial statements.

ii) The Group did not have any material foreseeable losses on long term contracts including derivatives contracts.

iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration Number: 104746W/W100096



Kunal Vakharia  
Partner

Membership No: 148916  
UDIN: 20148916AAAAGY4601

Place: Mumbai

Date: 5<sup>th</sup> December 2020



the other auditor in terms of their reports referred to in the paragraph on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.


#### Opinion

In our opinion and based on the opinion expressed in the report of other auditor, the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

#### For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration Number: 104746W/W100096



Kunal Vakharia

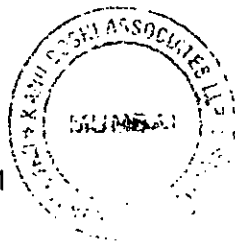
Partner

Membership No: 148916

UDIN: 20148916AAAAGY4601

Place: Mumbai

Date: 5<sup>th</sup> December 2020



**ANNEXURE A TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements **DELTA INFOSOLUTIONS PRIVATE LIMITED** ("hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial control over financial reporting of the Holding company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture as of that date.

**Management's Responsibility for Internal Financial Controls**

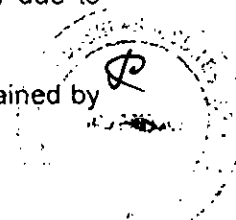
The respective Board of Directors of Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and Joint Venture, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013("the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on, the Holding Company's and its subsidiary companies' incorporated in India, wherever applicable, and its Joint Venture's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, to the extent applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by





Delta Infosolutions Private Limited  
Consolidated Financial Statements as at March 31, 2020

Balance Sheet as at March 31, 2020

(Amount in INR)

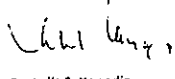
Particulars	Note	March 31, 2020	March 31, 2019
<b>ASSETS</b>			
Non-current assets			
Property, Plant and Equipment	3	1,180,085,492	1,177,352,358
Capital work-in-progress	3	7,329,646	9,783,841
Goodwill	4	2,030,813,740	2,124,254,337
Intangible assets under development	4	3,714,000	3,201,891
Other intangible assets	4	165,176,725	218,646,413
Right-to-use assets	4	172,848,171	-
Financial assets	5	108,135,031	123,874,231
i. Investments	6	1,299,670	286,184
ii. Loans	7	138,601,308	165,860,134
iii. Other financial assets	8	70,154,974	38,354,437
Deferred tax assets	9	163,436,169	165,454,696
Non-current tax assets	10	4,556,899	7,154,034
Other non-current assets			
<b>Total non-current assets</b>		<b>4,046,151,777</b>	<b>4,034,222,551</b>
Current assets			
Financial assets			
i. Investments	11	254,946,950	749,837,029
ii. Trade receivables	12	2,724,508,725	2,461,372,334
iii. Cash and cash equivalents	13	1,951,488,339	696,353,919
iv. Bank balances other than (iii) above	14	39,065,476	38,041,598
v. Loans	15	10,965,469	3,651,771
vi. Other financial assets	16	770,143,027	694,027,084
Current tax assets	17	49,493,130	18,862,711
Other current assets	18	351,710,002	292,565,086
<b>Total current assets</b>		<b>6,152,321,118</b>	<b>4,954,711,531</b>
Asset held for sale		12,500,000	-
<b>Total Assets</b>		<b>10,210,972,895</b>	<b>8,988,934,082</b>
<b>EQUITY AND LIABILITIES</b>			
Equity			
Equity share capital	19(a)	120,000	120,000
Other equity	19(b)	3,785,812,547	3,775,155,743
Equity attributable to owners of Datamatics Global Services Limited		3,785,932,547	3,775,275,743
Non-controlling interests		3,382,596,645	3,339,385,844
<b>Total equity</b>		<b>7,168,529,192</b>	<b>7,114,661,587</b>
<b>LIABILITIES</b>			
Non-current liabilities			
Financial liabilities			
i. Lease liabilities		109,443,132	-
ii. Other financial liabilities	21	52,245,946	9,472,460
Provisions	22	278,486,382	228,419,183
<b>Total non-current liabilities</b>		<b>440,177,461</b>	<b>237,891,643</b>
Current liabilities			
Financial liabilities			
i. Borrowings	23	964,644,541	358,785,841
ii. Trade payables	24	5,630,054	125,137
Dues of Micro and small enterprises		891,690,705	742,248,445
Dues other than Micro and small enterprises	25	97,735,324	121,948,820
iii. Other financial liabilities	26	109,109,210	-
iv. Lease liabilities	27	68,460,447	36,864,834
Provisions	28	33,858,365	54,924,159
Current tax liabilities	29	431,137,596	321,483,616
Other current liabilities		2,602,266,242	1,636,380,853
<b>Total current liabilities</b>		<b>3,042,443,703</b>	<b>1,874,272,496</b>
<b>Total liabilities</b>		<b>10,210,972,895</b>	<b>8,988,934,082</b>
<b>Total Equity and Liabilities</b>		<b>10,210,972,895</b>	<b>8,988,934,082</b>

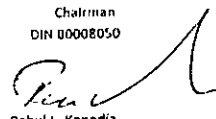
As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
Kanu Vakharia  
Partner  
Membership No. 148916

Place : Mumbai  
Date : December 5, 2020

For and on behalf of the Board

  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801

Delta Infosolutions Private Limited  
Consolidated Financial Statements as at March 31, 2020

Statement of Profit and Loss for the year ended March 31, 2020

(Amount in INR)

Particulars	Note	March 31, 2020	March 31, 2019
Revenue from Operations	30	12,033,243,280	11,334,904,821
Other Income	31	205,400,931	131,398,370
<b>Total Income</b>		<b>12,238,644,211</b>	<b>11,466,303,191</b>
<b>Expenses</b>			
Purchase of products and licenses	32	169,840,094	111,486,461
Employee Benefit Expenses	33	7,750,703,122	6,891,320,891
Finance Costs	34	46,267,022	47,710,004
Depreciation and Amortisation Expenses	35	369,969,388	260,345,771
Impairment of goodwill and other assets	36	157,722,963	-
Other Expenses	37	2,878,186,265	2,995,462,589
<b>Total expenses</b>		<b>11,372,683,854</b>	<b>10,306,325,716</b>
Profit before share of net profits of Investments accounted for using the equity method and tax		865,960,357	1,159,977,475
Share of net profits of associates and joint ventures accounted for using the equity method		12,034,532	8,984,392
<b>Profit before tax</b>		<b>877,994,889</b>	<b>1,168,961,867</b>
Tax expense			
- Current tax	8(a)	264,412,056	284,886,527
- Deferred tax	8(a)	(4,349,464)	17,874,499
<b>Total tax expense</b>		<b>260,062,592</b>	<b>302,761,026</b>
<b>Profit for the year</b>		<b>617,932,298</b>	<b>866,200,840</b>
Share of Non controlling Interest in Profit for the year		270,522,513	99,677,358
<b>Profit for the year</b>		<b>347,409,785</b>	<b>766,523,483</b>


Statement of other comprehensive income (OCI) for the year ended March 31, 2020

(Amount in INR)

Particulars	Note	March 31, 2020	March 31, 2019
<b>Items that will be reclassified to profit or loss</b>			
Cash flow Hedges		(192,048,574)	83,542,288
Foreign currency translation reserve movement		201,741,640	179,117,138
Tax relating to above		57,243,167	(50,891,217)
		<b>66,936,233</b>	<b>211,768,210</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains and losses		(49,586,867)	(9,946,356)
Changes in fair value of FVOCI instruments		(7,168,576)	1,636,149
Tax relating to above		11,141,030	3,173,927
		<b>(45,614,412)</b>	<b>(5,136,280)</b>
		<b>21,321,821</b>	<b>206,631,930</b>
Share of Non Controlling interest in Other Comprehensive Income		1,821,502	(17,830,946)
<b>OCI for the year</b>		<b>19,500,320</b>	<b>224,462,876</b>
<b>Total comprehensive Income for the year</b>		<b>366,910,104</b>	<b>990,986,359</b>
<b>Earnings per Equity Share (of Rs. 5 each)</b>	44		
- Basic (in Rs.)		2,895.08	3,547.28
- Diluted (in Rs.)		2,895.08	3,547.28


The accompanying notes forming an integral part of the financial statements

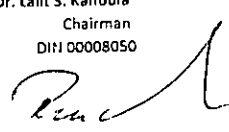
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
Kunal Vakharia  
Partner  
Membership No. 148916

Place : Mumbai  
Date : December 5, 2020



  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801

**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Consolidated Cash flow statement for the year ended March 31, 2020

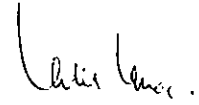
	March 31, 2020	March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	865,960,357	1,168,961,867
Adjustments for :		
Depreciation and amortisation expense	263,908,046	260,345,771
Provision for doubtful debts, advances and investments	45,465,146	101,466,023
Impairment of Goodwill and other assets	157,722,963	
Liabilities / excess provision written back	(10,115,745)	(1,624,942)
Loss/(Profit) on sale fixed assets (net)	(815,225)	897,446
Lease Rent Ind AS 116 impact	(20,390,031)	
Finance cost	23,961,476	47,710,004
Employee stock option expenses	-	9,830,908
Unrealised gain on fair value of financial assets	11,656,489	(20,681,411)
Profit on sale of investments	(26,632,943)	(22,034,136)
Loss on sale of subsidiary	4,852,150	
Dividend income	(3,712,706)	(5,397,283)
Unrealised foreign exchange (gain) / loss	(17,977,441)	
Interest income	(4,013,904)	(2,313,389)
<b>Operating profit before working capital changes</b>	<b>1,289,868,632</b>	<b>1,537,160,857</b>
Adjustments for :		
Increase in trade receivables	(271,972,551)	(513,337,110)
(Increase) / Decrease in loans	(8,327,185)	15,730,510
Decrease / (Increase) in other financial and non-financial assets	(393,394,480)	(161,448,627)
Increase in trade payables	147,895,258	42,791,766
Increase in other financial and non-financial liabilities	214,191,064	228,504,351
<b>Cash generated from operations</b>	<b>978,260,738</b>	<b>1,149,401,747</b>
Direct taxes paid (net)	(317,759,948)	(239,866,320)
<b>Net cash flow from operating activities (A)</b>	<b>660,500,790</b>	<b>909,535,427</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(210,137,541)	(265,088,994)
Sale of fixed assets	5,367,060	16,627,323
Payment towards acquisition of subsidiary / non controlling interest	(124,223,388)	(197,103,106)
Sale of long-term investments	(293,255,311)	202,548,380
(Purchase)/Sale of current investments	509,795,562	(432,197,761)
Dividend received	14,422,706	5,397,283
Interest received	1,117,881	2,313,389
<b>Net cash flow used in investing activities (B)</b>	<b>(96,913,032)</b>	<b>(667,503,485)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (Repayment) of short-term borrowings	605,858,700	(299,166,937)
Dividend paid	(68,851,333)	(24,587,433)
Interest paid	(22,980,943)	(47,710,004)
<b>Net cash flow used in financing activities (C)</b>	<b>514,026,424</b>	<b>(371,464,374)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>1,077,614,183</b>	<b>(129,432,432)</b>
Cash and cash equivalents at the beginning of the year	696,353,919	825,786,350
Less: Cash and cash equivalents of subsidiary	(328,347)	-
<b>Net cash and cash equivalents at the end of the year</b>	<b>1,773,639,754</b>	<b>696,353,919</b>

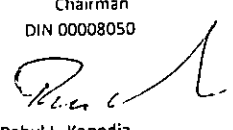
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
Kunal Vakharia  
Partner  
Membership No. 148916

Place : Mumbai  
Date : December 5, 2020



  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801

Statement of changes in equity for the year ended March 31, 2020

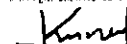
A. Equity share capital

Particulars	(Amount in INR)
As at March 31, 2018	120,000
Changes in equity share capital	
As at March 31, 2019	120,000
Changes in equity share capital	
As at March 31, 2020	120,000

B. Other equity

	Other comprehensive income									Total other equity	Attributable to non-controlling interests	Total other
	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve			
As at March 31, 2018	809,387,328	25,019,990	586,892,376	807,220,505	744,281,746	5,306,896	(904,584)	90,830,307	178,736,981	3,244,291,045	7,878,610,937	6,122,921,977
Profit for the year	425,673,582	-	-	-	-	-	-	-	-	425,673,582	447,640,894	868,314,475
Other comprehensive income	-	-	-	-	-	3,171,734	(1,055,585)	17,565,197	117,170,710	134,752,046	85,489,316	220,241,362
Acquisition of Subsidiary	-	-	-	-	-	-	-	-	-	-	-	(7,434,454)
Purchase of Non-controlling interest	(10,110,614)	-	-	-	-	-	-	-	-	(10,110,614)	(10,030,040)	(46,140,600)
Additional shares issued in subsidiary	-	5,137,117	-	-	-	-	-	-	-	5,137,117	4,471,150	9,518,467
Foreign exchange impact on ICI	-	-	-	-	-	-	-	-	-	-	-	(28,797,148)
Proposed Dividend on Equity shares	(14,736,772)	-	-	-	-	-	-	-	-	(14,736,772)	-	(14,736,772)
Interim Dividend on Equity shares	(9,850,661)	-	-	-	-	-	-	-	-	(9,850,661)	-	(9,850,661)
As at March 31, 2019	1,200,262,863	30,177,107	586,892,376	807,220,505	744,281,746	8,478,631	(4,260,169)	108,495,523	293,607,681	3,775,155,743	8,119,395,844	7,315,547,587
Profit for the year	347,429,785	-	-	-	-	-	-	-	-	347,429,785	270,577,513	617,832,998
Adjustment for AS11b	(1,496,682)	-	-	(795,755,311)	-	-	-	-	-	(295,755,311)	-	(295,755,311)
On demerger of delta	-	-	-	-	-	-	-	-	-	-	-	-
Non-controlling interest	20,955,573	-	-	-	-	-	-	-	-	20,955,573	(20,955,573)	-
Additional shares Purchased of subsidiary from VI	-	-	-	23,195,970	-	-	-	-	-	23,195,970	(209,177,641)	(184,981,671)
ESOP revocation	-	(5,834,511)	-	-	-	-	-	-	-	(5,834,511)	-	(5,834,511)
Other comprehensive income	-	-	-	-	-	(7,168,576)	(38,445,837)	(116,620,905)	201,741,640	(58,509,220)	1,821,507	21,321,821
Dividends paid (including taxes)	(68,851,333)	-	-	-	-	-	-	-	-	(68,851,333)	-	(68,851,333)
As at March 31, 2020	1,459,813,200	24,342,596	586,892,376	534,665,184	744,281,746	1,310,055	(42,706,006)	(28,131,405)	495,349,322	3,785,812,547	8,387,596,645	7,168,409,192

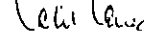
For Kunal Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/PW103196

  
Kunal Doshi  
Partner  
Membership No. 148916

Muz - Mumbai  
Date: December 5, 2023



For and on Behalf of the Board



Dr. Lalit K. Kanodia  
Chairman  
DIN: 00020500

  
Rahul L. Kanodia  
Vice Chairman & CEO  
DIN: 00075601

**Delta Infosolutions Private Limited**  
**Notes Forming part of the Consolidated Financial Statements**

**Note 1: General Information**

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Group was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Group converted itself from a Private Limited Group into a Public Limited Group and the name of the Group was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Group was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Group is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

DGSL, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Group provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

**Note 2: Significant Accounting Policies**

**a) Basis of Preparation of Financial Statements:**

**Compliance with Ind AS**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements were approved by the Group's Board of Directors and authorised for issue on May 14, 2020.

**b) Basis of Consolidation:**

**i) Subsidiaries**

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2020 and as at March 31, 2019 are summarized below:

Name of the Subsidiary	2019 - 20		2018 - 19	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Limited	India	54.45	India	53.97
Datamatics Global Services Inc	USA	54.45	USA	53.97
Datamatics Infotech Limited	UK	54.45	UK	53.97
Datamatics Global Services Pty. Limited	Australia	54.45	Australia	53.97
Datamatics Global Technologies Limited	Mauritius	54.45	Mauritius	53.97
Datamatics Global Technologies AG	Switzerland	54.45	Switzerland	53.97
Datamatics Global Services FZ LLC	U.A.E	54.45	U.A.E	53.97
Datamatics Global Technologies GmbH*	-	-	Germany	53.97
Datamatics Global Services Corp	Philippines	54.45	Philippines	53.97
Datamatics Global Services B.V.^	Netherlands	54.45	-	-
LD Publishing & eRetail Limited*	India	54.45	India	53.97
Datamatics Digital Limited	India	54.45	India	43.77
Techini Inc	USA	54.45	USA	43.77
Datamatics Staffing Services Limited	India	27.77	India	22.32
Datamatics Robotics Software Inc	USA	54.45	USA	53.97
Datamatics Robotics Software Limited	India	54.45	India	53.97
RJ Globus Solutions Inc	Philippines	47.64	Philippines	40.48
RJ Globus Inc	USA	47.64	USA	40.48
RJ Globus Solutions Private Limited*	India	47.64	India	40.48
Cignex Datamatics Corporation	BVI	34.04	BVI	33.35
Cignex Datamatics Inc	USA	34.04	USA	33.35
Cignex Datamatics Technologies Limited	India	34.04	India	33.35
Cignex Datamatics Pte. Limited	Singapore	34.04	Singapore	33.35
Cignex Datamatics GmbH	Germany	34.04	Germany	33.35
Cignex Datamatics UK Limited*	-	-	UK	33.35
Duo Consulting, Inc.	USA	22.46	USA	22.01
Attune Infocom Private Limited@	-	-	India	17.01



Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

Name of the Subsidiary	2019 - 20		2018 - 19	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Lumina Datamtics Limited	India	54.45	India	52.89
LDR eRetail Limited	India	54.45	India	52.89
Lumina Datamtics Inc	USA	54.45	USA	52.89
Lumina Datamtics GmbH	Germany	54.45	Germany	52.89
Lumina Datamtics Assessment and Analytics, LLC	USA	35.39	USA	34.38

^ Incorporated during the year

\* Strike off

@ Divested during the year

The financial statements of the Parent Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

Non controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non controlling shareholders at the dates on which investments are made by the Parent Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

The Parent Group and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with GAAP prevalent in their respective countries of domicile.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of charge of depreciation on fixed assets and other insignificant items for which the accounting treatment is given on the basis of local laws applicable in the respective country, for which using uniform accounting policies for the purpose of consolidation is impracticable.

ii) Joint ventures

Interests in joint ventures are accounted for using the Equity method, after initially being recognised at cost in the consolidated balance sheet.

Name of the Joint venture	2019 - 20		2018 - 19	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Cybercom Datamtics Information Solutions Limited	India	27.50	India	27.25

Equity Method :

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.



**Delta Infosolutions Private Limited**  
**Notes Forming part of the Consolidated Financial Statements**

**iii) Historical cost convention**

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- \* certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;
- \* defined benefit plans – plan assets measured at fair value.

**iv) Measurement of fair values**

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

**c) Use of Estimates**

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

**d) Foreign currency translation**

**i) Functional and presentation currency**

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

**ii) Transactions, balances and translation**

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period. Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve. Exchange Difference arising on investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

**e) Revenue recognition**

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue from the sale of distinct internally developed software and third party software is recognised upfront at the point in time when the software is delivered to the customer. In cases where implementation services rendered significantly modifies or customise the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

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.

Effective April 1, 2018, the Group has applied Ind AS 115 Revenue from contracts with customers which establishes comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Group has adopted Ind AS 115 using the cumulative effect method. The effect of initially applying this standard is recognised at the date of initial application (i.e. April 1, 2018). The standard is applied retrospectively only to the contracts that are not completed as at the date of initial application and the comparative information in the statement of profit and loss is not restated - i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The impact of the adoption of the standard on the financial statements of the Group is insignificant.

**f) Income tax**

Tax expense comprise of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act.

**Current income taxes**

The current tax expense include income tax expense payable by the Group. The current tax payable by the Group is income tax payable on worldwide income after taking credit for tax exemption available for export operation in Special Economic Zone (SEZs).

Current income taxes payable by overseas subsidiaries is computed in accordance with tax laws applicable in the jurisdiction in which the respective subsidiaries operates.

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in some tax jurisdictions.

**Deferred tax**

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.



At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

**g) Leases**

**Finance Lease**

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost as to obtain a constant periodic rate of interest on the outstanding liability for each year.

**Operating lease**

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term in statement of profit and loss, unless the lease agreement explicitly states that increase is on account of inflation.

**h) Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

**i) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**j) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**k) Investments and other financial assets**

**i) Classification**

The Group classifies its financial assets in the following measurement categories:

\* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

\* those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**ii) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

\* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The Group subsequently measures all equity investments, at fair value (except investment in joint venture which is valued at cost less impairment losses, if any). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### iv) Derecognition of financial assets

A financial asset is derecognised only when

\* The Group has transferred the rights to receive cash flows from the financial asset or

\* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### v) Income recognition

##### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

#### 1) Derivatives and hedging activities

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The Group does not use the forward contract for speculative purposes. The Group designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.



Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised through other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

**m) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**n) Property, Plant and Equipment**

Property, Plant and Equipments are valued at cost, except for certain Property, Plant and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

**o) Intangible assets**

**i) Goodwill**

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Goodwill on consolidation of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

**i) Trademarks, copyrights and other rights**

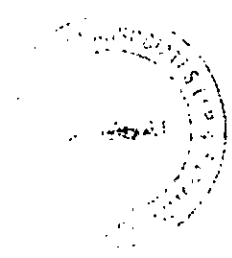
Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete fees acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**ii) Computer software**

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.



iv) **Other Intangible assets**

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

v) **Amortisation methods and periods**

The Group amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Goodwill	Nil
Patents, Trademarks, Copyrights	3 - 5 years
Customer contracts	3 years
Computer Software	3 years
Other intangible assets	3 years

p) **Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

q) **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) **Borrowing costs**

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

s) **Provision, Contingent Liabilities and Contingent Assets**

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.



**Delta Infosolutions Private Limited**

**Notes Forming part of the Consolidated Financial Statements**

**t) Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

In case of Parent Group and its Indian Subsidiaries; (i) Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liability towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

Foreign subsidiaries maintain a defined contribution retirement plan, which covers substantially all the employees of the foreign subsidiaries and qualifies as a deferred salary arrangement under laws of respective countries. The Group matches employees' contributions at the discretion of the Group.

**u) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**v) Earnings per share**

In determining Earnings per Share, the Group considers the net profit attributable to Group's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**w) Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019.

**i) Ind AS - 116 : Leases**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Group will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Group will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group will not restate comparative information, instead, the cumulative effect of initially applying this standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Group will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Group will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which underlying asset is of low value.

With effect from April 1, 2019, the Group will recognise new assets and liabilities for its operating lease of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to a) amortisation charge for right-to-use asset, and b) interest accrued on lease liability. The Group is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

**ii) Ind AS 12 : Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)**

The amendment relating to income tax consequences of dividend clarify that an Group shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. The amendment does not amend the situations where the Group pays a tax on dividend which is effectively a portion of dividend paid to taxation authorities on behalf of shareholders.

**iii) Ind AS 109 : Prepayment features with negative compensation**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortised cost even in case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

**iv) Ind AS 19 : Plan amendment, curtailment or settlement**

The amendment clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

**v) Ind AS 23 : Borrowing Costs**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes the part of the funds that Group borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

**vi) Ind AS 103 : Business Combinations and Ind AS 111 : Joint Arrangements**

The amendments to Ind AS 103 relating to remeasurement clarify that when an Group obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an Group obtains joint control of a business that is a joint operation, the Group does not re-measure previously held interests in that business. The Group will apply pronouncement if and when it obtains control / joint control of a business that is a joint operation.

3 Note 3 - Property, plant and equipment

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	(INR in millions)
										Capital work-in-progress
Gross block										
As at March 31, 2018	302,848,546	270,297,921	181,430,893	106,232,104	165,832,910	170,347,921	131,402,501	18,892,539	1,347,285,335	49,909,109
Additions	-	-	366,750	27,545,613	51,978,059	31,738,393	27,831,020	7,772,932	142,232,767	-
Acquisitions (business combination)	-	-	2,485,825	61,750,094	40,931,571	2,541,790	15,378,987	-	123,088,267	-
Disposals / derecognised	-	-	-	(1,964,538)	(742,803)	(7,385,143)	(1,413,242)	(1,408,019)	(12,913,745)	(40,125,268)
Exchange differences	-	-	-	9,631,528	(8,590,954)	3,013,811	4,833,618	41,040	8,929,044	-
As at March 31, 2019	302,848,546	270,297,921	184,283,468	203,194,801	249,408,783	200,256,772	173,032,885	25,298,492	1,608,621,668	9,783,841
Additions	-	-	8,740,016	41,717,979	37,011,480	41,472,834	13,157,650	7,519,523	149,619,481	9,458,621
Disposals / derecognised	-	-	(79,909)	(238,056)	(12,236,134)	(11,297,308)	(4,479,464)	(3,640,268)	(31,921,139)	(11,912,662)
Exchange differences	-	-	-	9,931,047	10,538,589	4,798,606	3,510,483	(749,569)	28,029,155	-
As at March 31, 2020	302,848,546	270,297,921	183,993,575	254,605,772	284,722,718	235,230,903	185,221,554	28,428,178	1,754,349,166	7,330,000

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	(INR in millions)
										Capital work-in-progress
Accumulated depreciation										
As at March 31, 2018	-	9,368,856	12,293,408	10,886,078	47,341,056	106,413,773	43,856,519	4,988,563	235,150,253	-
Depreciation charge during the year	-	4,684,428	1,630,107	21,897,205	63,010,527	47,184,587	22,226,776	3,440,817	164,074,438	-
Acquisitions (business combination)	-	-	600,798	16,908,916	13,657,383	2,217,417	3,401,412	-	36,783,926	-
Disposals / derecognised	-	-	-	(111,991)	(224,857)	(4,704,604)	(100,378)	(646,779)	(5,788,609)	-
Exchange differences	-	-	-	(215,714)	(893,137)	2,097,095	44,306	16,752	1,049,303	-
As at March 31, 2019	-	14,053,284	14,524,308	49,362,495	122,892,972	153,208,268	69,428,635	7,799,349	431,269,310	-
Depreciation charge during the year	-	4,612,487	3,849,661	10,159,994	57,747,445	40,281,384	25,861,477	3,729,510	146,241,909	-
Disposals / derecognised	-	-	(13,408)	(832,687)	(11,005,912)	(10,478,665)	(1,708,959)	(3,124,362)	(27,163,994)	-
Exchange differences	-	-	-	4,572,894	8,568,075	8,874,038	1,856,237	41,226	23,912,471	-
As at March 31, 2020	-	18,665,771	18,360,561	63,262,696	178,202,580	191,885,026	95,437,340	8,445,722	574,259,696	-
Net carrying amount as at March 31, 2020	302,848,546	251,632,150	174,633,014	191,343,076	106,520,138	43,345,877	89,784,214	19,982,455	1,180,089,470	7,330,000
Net carrying amount as at March 31, 2019	302,848,546	256,244,637	169,759,160	153,832,307	126,515,812	47,048,503	103,604,250	17,499,143	1,177,352,358	9,783,841

Note 4 - Intangible assets

(INR in millions)										
Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total	Goodwill	Intangible assets under development	Right to Use Assets
<b>Gross block</b>										
As at March 31, 2018	309,568,865	29,655,172	8,352,490	20,000	56,954,680	6,649,478	411,200,685	1,764,089,327	-	-
Additions	71,467,689	-	-	1,886,512	-	-	73,354,201	249,320,000	3,701,891	-
Acquisitions (business combination)	270,781	-	-	-	-	-	270,781	-	-	-
Disposals / derecognised	(10,098,560)	-	-	(490,420)	-	-	(10,588,980)	-	-	-
Exchange differences	14,075,662	-	-	-	1,123,795	(621,627)	14,527,835	132,592,458	-	-
As at March 31, 2019	385,234,437	29,655,172	8,352,490	1,416,092	58,078,475	6,027,856	488,764,522	2,146,001,785	3,701,891	-
Additions	67,500,000	-	-	753,181	-	-	68,253,181	-	4,868,109	278,909,513
Disposals / derecognised	(56,784,190)	-	-	-	-	-	(56,784,190)	-	-	-
Exchange differences	571,971	-	-	-	1,815,813	(89,213)	2,298,572	92,182,962	-	-
As at March 31, 2020	397,022,218	29,655,172	8,352,490	2,169,273	59,894,289	5,938,643	503,032,085	2,238,183,837	3,710,000	278,909,513

(INR in millions)										
Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total	Goodwill	Intangible assets under development	Right to Use Assets
<b>Accumulated amortisation and impairment</b>										
As at March 31, 2018	123,179,928	15,430,337	4,265,797	2,318	26,970,048	3,815,066	173,663,494	11,720,888	-	-
Amortisation charge during the year	64,414,591	6,699,419	1,873,923	805,470	13,326,512	430,349	87,050,285	9,220,792	-	-
Acquisitions (business combination)	159,720	-	-	-	-	-	159,720	-	-	-
Disposals / derecognised	(85,049)	-	-	(104,298)	-	-	(189,347)	-	-	-
Exchange differences	9,144,586	-	-	-	1,123,795	(834,423)	9,433,958	805,768	-	-
As at March 31, 2019	196,813,776	22,129,776	6,139,720	203,489	41,420,356	3,410,992	270,118,109	21,747,448	-	-
Amortisation charge during the year	94,879,967	6,717,794	1,879,057	746,220	13,326,512	120,534	117,670,085	-	-	106,061,342
Impairment loss during the year	-	-	-	-	-	-	-	157,722,961	-	-
Disposals / derecognised	(56,489,500)	-	-	-	-	-	(56,489,500)	-	-	-
Exchange differences	3,041,083	-	-	-	1,825,813	1,683,467	6,550,364	27,899,934	-	-
As at March 31, 2020	238,245,326	28,847,570	8,018,778	949,710	56,572,681	5,214,993	337,849,058	207,370,345	-	106,061,342
Net carrying amount as at March 31, 2020	158,776,892	807,602	333,712	1,219,564	3,321,607	723,649	165,183,027	2,030,813,492	3,710,000	172,848,171
Net carrying amount as at March 31, 2019	188,420,661	7,525,396	2,212,770	1,212,603	16,658,120	2,616,864	218,646,413	2,124,254,337	3,701,891	-



Delta Infosolutions Private Limited  
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Note 5 - Non-current investments		(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019	
Investment in equity instruments (fully paid-up)			
Quoted (FVOCI)			
18,234 (P.Y. 13,676) fully paid Equity Shares of Rs. 2 each of Wipro Limited	3,584,803	4,646,022	
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 1 each of Vikas WSP Limited	21,050	87,600	
800 (P.Y. 800) fully paid Equity Shares of Rs. 5 each of Mahindra and Mahindra Limited	228,000	539,120	
8,998 (P.Y. 8,998) fully paid Equity Shares of Rs. 10 each of Coal India Limited	1,259,720	2,134,326	
38,767 (P.Y. 38,767) fully paid Equity Shares of Rs. 10 each of Powergrid Corporation	6,163,953	7,671,989	
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 2 each of Axis Bank Limited	1,896,500	3,886,250	
1,800 (P.Y. 1,800) fully paid Equity Shares of Rs. 2 each of Larsen and Toubro Limited	1,452,330	2,493,540	
900 (P.Y. 900) fully paid Equity Shares of Rs. 10 each of Cybertech Limited	76,145	39,510	
35,200 (P.Y. 35,200) fully paid Equity Shares of Rs. 10 each of Global Offshore Services Limited	91,520	394,240	
56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation	831,758	760,785	
Investment in mutual funds			
Quoted (at Fair Value through Profit & Loss) (FVTPL)			
9,32,923 (P.Y. 9,32,923) Units of IIFL Income Opportunities Fund Special Situation	-	6,141,030	
Investment in debentures - Unquoted (at FVTPL)			
622 (P.Y. 622) Secured Redeemable Non-Convertible Debentures of Rs. 10,000/- each of Arch Agro Industries Private Limited	-	1,275,100	
In joint venture - Others - Unquoted (at cost)			
428,390 (P.Y. 428,390) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of Rs. 10 each	77,579,252	76,254,719	
Investment in preference shares			
Unquoted (at FVTPL)			
In subsidiaries - Wholly Owned			
170,000 (P.Y. 170,000) 14.625% Cumulative Redeemable Preference Shares of Rs. 10/- of Edelweiss F	-	2,550,000	
1,500,000 (P.Y. 1,500,000) 8% Compulsorily Convertible Redeemable Non-Cumulative Non-Participating Preference Shares of HandyTraining Technologies Private Limited of Rs. 10 each	15,000,000	15,000,000	
<b>Total</b>	<b>108,135,031</b>	<b>123,874,231</b>	
Aggregate amount of quoted investments	15,555,779	28,794,412	
Aggregate amount of unquoted investments	92,579,252	95,079,819	
Aggregate market value of quoted investments	15,555,779	28,794,412	
Note 6 - Non-current loans		(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019	
(Unsecured, considered Good, unless specified otherwise)			
Others -			
Loan to employees	549,670	286,184	
Loan to Others	750,000	-	
<b>Total</b>	<b>1,299,670</b>	<b>286,184</b>	
Note 7 - Other non-current financial assets		(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019	
Security deposits	141,613,301	108,945,851	
Less: Provision for doubtful deposits	6,173,530	6,173,530	
Net security deposits	135,439,771	102,772,321	
Fixed deposits	439,227	403,012	
Fair value of outstanding corporate guarantees (FVTPL)	-	8,919,562	
Fair value of outstanding forward contracts (FVOCI)	2,722,310	53,765,238	
<b>Total</b>	<b>138,601,308</b>	<b>165,860,134</b>	
Note 8 - Deferred Tax Assets		(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019	
Deferred Tax Assets	70,154,924	38,354,432	
<b>Total</b>	<b>70,154,924</b>	<b>38,354,432</b>	
Note 9 - Non-current tax assets		(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019	
Advance Tax & TDS (net of provision)	163,436,169	165,454,696	
<b>Total</b>	<b>163,436,169</b>	<b>165,454,696</b>	
Note 10 - Other non-current assets		(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019	
Capital advances	141,800	5,934,837	
Other advances -			
Prepaid expenses	3,951,276	784,287	
Balance with govt authorities	47,000	47,000	
Other assets	416,823	387,911	
<b>Total</b>	<b>4,556,899</b>	<b>7,154,034</b>	
Note 11 - Current Investments		(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019	
Investment in mutual funds			
Quoted (at FVTPL)			
2,563,272 (P.Y. 1,960,938) units of Templeton India Low Duration Fund - Growth (Face Value of Rs. 10 each)	-	55,725,524	
375,340 (P.Y. 375,340) units of IDFC Corporate Bond Fund - Growth (Face Value of Rs. 10 each)	-	4,778,943	

133,518 (P.Y. 133,518) units of TATA Short Term Bond Fund - Growth (Face Value of Rs. 10 each)	-	4,542,110
205,295 (P.Y. 205,295) units of Aditya Birla Sun Life Corporate Bond Fund - Growth (Face Value of Rs. 10 each)	-	14,708,762
298,051 (P.Y. 175,039) units of ICICI Prudential Liquid Fund - Growth (Face Value of Rs. 100 each)	3,944,564	82,088,726
HDFC Liquid Funds	22,540	-
24,130 (P.Y. 19,140) Units of Reliance Liquid fund - TP - Growth (Face Value of Rs. 1,000 each)	41,592,476	109,531,034
280,636 (P.Y. 280,636) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of Rs. 10 each)	9,310,251	8,671,523
365,487 (P.Y. Nil) Units of ICICI Prudential Liquid fund - Direct - Growth (Face Value of Rs. 100 each)	-	101,026,637
1686 (P.Y. 10593) Units of Nippon India Liquid Fund - Direct Plan Growth Plan	92,531,888	-
11,411 (P.Y. Nil) units of Kotak Overnight Fund - Growth (Face Value of Rs. 1,000 each)	12,158,778	-
3 (P.Y. Nil) units of Motilal Oswal Home Finance Limited of Rs. 1,063,447/- each	3,190,343	-
18,927 (P.Y. Nil) Units of Birla Sun Life Floating rate fund STP - Growth	-	4,737,070
471,296 (P.Y. Nil) Units of ICICI Prudential Liquid - Growth	-	130,274,022
25,449 (P.Y. Nil) Units of Axis Liquid Fund - Direct - Growth	-	53,166,781
356,025 (P.Y. Nil) Units of Birla Sun Life Cash Plus Fund - Direct - Growth	-	106,962,854
7,118,577 (P.Y. Nil) Units of Franklin India Ultra Short Bond Fund - SIP - Daily Dividend (Face Value of Rs. 10 each)	92,196,659	73,423,042
<b>Total</b>	<b>254,946,950</b>	<b>749,837,029</b>

Aggregate amount of quoted investments	254,946,950	749,837,029
Aggregate market value of quoted investments	254,946,950	749,837,029

Note 12 - Trade receivables		
	(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019
Unsecured		
Considered Good	2,697,038,725	2,480,661,212
Considered doubtful	27,470,000	19,288,878
	2,724,508,725	2,461,372,334
Credit impaired	177,845,832	256,708,542
Less :- Allowance for doubtful trade receivable (Refer Note No. 35)	177,845,832	256,708,542
<b>Total</b>	<b>2,724,508,725</b>	<b>2,461,372,334</b>

Note 13 - Cash and cash equivalents		
	(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019
Bank balances	1,665,753,709	681,969,866
Cash on hand	7,135,130	3,637,700
Cheque in Hand	-	10,746,353
Balances with bank in deposit accounts	778,600,000	-
<b>Total</b>	<b>1,951,488,839</b>	<b>696,353,919</b>

Note 14 - Other bank balances		
	(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019
Margin money deposits*	37,199,095	36,286,977
Balances with bank in deposit accounts	100,000	-
Unpaid dividend account**	1,766,382	1,754,621
<b>Total</b>	<b>39,065,476</b>	<b>38,041,598</b>

\* Of the above Rs. 37,199,095 (as at March 31, 2019: Rs. 36,286,977) are marked as lien for guarantees issued by banks on behalf of the Group.

\*\* The Group can utilise balances only towards settlement of the unpaid dividend.

Note 15 - Current loans		
	(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019
(Unsecured, Considered Good, unless specified otherwise)		
Others:-		
Loan to employees	5,965,469	3,651,771
Loan to Others	5,000,000	-
<b>Total</b>	<b>10,965,469</b>	<b>3,651,771</b>

Note 16 - Other current financial assets		
	(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019
Security deposits	14,564,695	8,012,704
Less: Provision for doubtful deposits - current	2,496,690	-
Net Security deposits	12,068,005	8,012,704
Advances to related parties	5,527,303	3,824,412
Others:-		
Interest accrued	2,835,462	60,562
Fair Value of Outstanding Forward Contracts (FVOCI)	27,002,205	67,418,682
Other advances	11,343	-
Unbilled Revenue	722,698,709	614,710,524
<b>Total</b>	<b>770,143,027</b>	<b>694,027,084</b>

Note 17 - Current tax assets		
	(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019
Advance Tax & TDS (net of provision)	49,493,130	18,862,711
<b>Total</b>	<b>49,493,130</b>	<b>18,862,711</b>

Note 18 - Other current assets		
	(Amount in INR)	
Particulars	March 31, 2020	March 31, 2019
Advance to Vendors	60,907,817	28,395,893
Reimbursable Custom Duty	802,210	-
Advance to staff	21,924,310	32,023,850
Balance with govt authorities	111,788,608	92,910,324
Prepaid expenses	150,092,772	139,235,020
Other assets	6,194,785	-
<b>Total</b>	<b>351,710,002</b>	<b>292,565,086</b>



Note 8 - Taxation

8(a) - Income tax expense

Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
<b>Current tax</b>		
Current tax on profits for the year	258,782,056	301,526,440
Adjustments for current tax of prior periods	5,630,000	(11,111,603)
<b>Total current tax expense</b>	<b>264,412,056</b>	<b>290,414,838</b>
<b>Deferred tax</b>		
Decrease/(Increase) in deferred tax assets	(5,739,464)	7,117,513
Adjustments for deferred tax of prior periods	1,390,000	3,125,040
<b>Total deferred tax expense/(benefit)</b>	<b>(4,349,464)</b>	<b>10,242,553</b>
<b>Income tax expense</b>	<b>260,062,592</b>	<b>300,657,391</b>

8(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Profit for the year	877,994,889	1,176,919,941
<b>Tax expense at applicable tax rate</b>	<b>244,258,178</b>	<b>337,048,993</b>
Effects of:		
Items not deductible for tax	14,510,000	7,051,177
Tax holiday and Exempt income	(26,259,589)	(34,898,531)
Impairment of goodwill and other assets	33,120,000	-
(Gain)/Loss in respect of which deferred tax (liability) / asset not recognized	-	(4,604,280)
Recognition of unutilized tax benefits / Unrecognized losses utilized	(8,680,000)	(35,277,617)
Taxable due to change in tax base	(10,440,000)	(2,730,095)
Undistributed earnings	(17,660,000)	25,203,464
Income taxed at higher / (lower) rates	(1,580,000)	(4,275,922)
Change in tax rate and law	26,070,000	3,021,670
Adjustments for current tax of prior periods	7,020,000	(7,986,563)
Others, net	(295,997)	18,105,094
<b>Income tax expense</b>	<b>260,062,592</b>	<b>300,657,391</b>

8(c) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	(Rs. in Millions)				
	March 31, 2019	Recognized in Income statement	Recognized in OCI	Other (Due to Acquisition, FCTR, BS etc.)	March 31, 2020
<b>Deferred Tax Assets</b>					
Employee benefits	87,680,465	(13,820,000)	10,770,000	(580,000)	84,050,000
Provision for doubtful debts	71,844,121	(25,770,000)	-	(2,010,000)	44,060,000
Investment in subsidiaries	2,045,277	(2,050,000)	-	(19,120,000)	(19,120,000)
MAT credit	19,793,938	(4,670,000)	-	(980,000)	500,000
Net operating losses	10,620,216	12,990,000	-	(360,000)	23,250,000
Others	20,657,925	690,000	-	1,880,000	23,230,000
<b>Total Deferred Tax Assets</b>	<b>212,641,942</b>	<b>(32,830,000)</b>	<b>10,770,000</b>	<b>(21,170,000)</b>	<b>155,970,000</b>
<b>Deferred Tax Liabilities</b>					
Depreciation	30,658,646	(14,270,000)	-	240,000	16,630,000
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	5,765,301	(4,680,000)	(370,000)	100,000	820,000
Cash flow hedging	39,407,674	-	(57,240,000)	(1,310,000)	(19,140,000)
Undistributed earnings	98,434,298	(17,660,000)	-	6,740,000	87,510,000
Others	21,591	-	-	(20,000)	(4,924)
<b>Total Deferred Tax Liabilities</b>	<b>174,287,511</b>	<b>(36,610,000)</b>	<b>(57,610,000)</b>	<b>5,750,000</b>	<b>85,815,076</b>
<b>Net Deferred Tax</b>	<b>38,354,432</b>	<b>3,780,000</b>	<b>68,380,000</b>	<b>(26,920,000)</b>	<b>70,154,924</b>

Note :

The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, Equity, MAT credit creation/utilisation during the period and foreign currency translation.

Note 19 - Share capital and other equity

19(a) - Equity share capital

(i) Authorised share capital of face value of Rs. 5/- each

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	600,000	600,000
Increase during the year	-	-
As at March 31, 2019	600,000	600,000
Increase during the year	-	-
As at March 31, 2020	600,000	600,000

Authorised redeemable preference share capital of face value of Rs. 10/- each

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	650,000	650,000
Increase during the year	-	-
As at March 31, 2019	650,000	650,000
Increase during the year	-	-
As at March 31, 2020	650,000	650,000

Issued, Subscribed and Paid-up equity share capital of face value of Rs. 5/- each

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	120,000	120,000
Increase during the year	-	-
As at March 31, 2019	120,000	120,000
Increase during the year	-	-
As at March 31, 2020	120,000	120,000

(ii) Movements in equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	120,000	120,000
Issued during the year	-	-
As at March 31, 2019	120,000	120,000
Issued during the year	-	-
As at March 31, 2020	120,000	120,000

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	March 31, 2020		March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Lalit S. Kanodia	40,000	33.33%	40,000	33.33%
Mr. Sameer L. Kanodia	40,000	33.33%	40,000	33.33%
Vikrant Trust	40,000	33.33%	40,000	33.33%

(iv) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having par value of Rs. 1 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

19(b) - Reserves and surplus

Particulars	March 31, 2020	March 31, 2019
Retained earnings	1,469,813,200	1,203,262,863
ESOP reserve	Refer Note (ii) below	24,342,596
General reserve	Refer Note (i) below	586,892,376
Capital reserve	Refer Note (iii) below	534,661,164
Capital redemption reserve	Refer Note (iv) below	744,281,246
OCI -		
Equity investments	Refer Note (v) below	1,310,055
Actuarial gains and losses	(42,706,006)	(4,263,169)
Cash flow hedging reserve	Refer Note (vi) below	(28,131,405)
Foreign currency translation reserve	Refer Note (vii) below	495,349,322
Total	3,785,812,547	3,775,155,743

Nature of reserves

(i) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(ii) ESOP Reserve

ESOP reserve is created for issue of share capital under RSU plan.

(iii) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company. Also Goodwill on common control transaction is adjusted against capital reserve.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(v) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

(vi) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

(vii) OCI - Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.



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Note 20 - Lease liabilities		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Lease Liabilities	109,443,132	-
<b>Total</b>	<b>109,443,132</b>	<b>-</b>

Note 21 - Other non-current financial liabilities		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Creditor for capital expenditure	572,343	552,898
Fair value of outstanding corporate guarantees (FVTPL)	27,002,206	8,919,562
Fair Value of Outstanding Forward Contracts (FVOCI)	24,721,398	-
<b>Total</b>	<b>52,245,946</b>	<b>9,472,460</b>

Note 22 - Non-current Provisions		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Unfunded	-	-
Provisions for employee benefits	-	-
Gratuity	196,573,947	149,131,236
Leave Encashment	81,364,435	79,287,947
<b>Total</b>	<b>278,488,382</b>	<b>278,419,183</b>

Note 23 - Current borrowings		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Working capital loan	-	-
From Directors (Unsecured)	-	18,100,000
From Banks	964,644,541	78,185,841
From Others	-	262,500,000
<b>Total</b>	<b>964,644,541</b>	<b>358,785,841</b>

\* Notes-

Working capital loans from Standard Chartered Bank, ICICI Bank, Silicon Valley Bank USA and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd floor and 3rd floor in Suvojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the company hence considered as current borrowings.

Note 24 - Trade payables		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Dues of Micro and small enterprises	5,630,054	125,137
Dues other than Micro and small enterprises	891,690,705	742,748,445
<b>Total</b>	<b>897,320,759</b>	<b>742,873,582</b>

Micro, Small and Medium enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below:

Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
(a) Dues remaining unpaid	-	-
- Principal	-	130,000
- Interest on above*	-	6,001
(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*	-	-

\* The Group has not provided any interest on the amount outstanding beyond stipulated period in the previous year

Note 25 - Other current financial liabilities		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Fair Value of contingent consideration	22,173,378	96,134,253
Fair Value of Outstanding forward Contracts (FVOCI)	48,865,366	-
Interest Accrued but not due	980,533	-
Payable to related parties	2,526,169	-
Deposits received	14,844,103	-
Unclaimed Dividend	1,766,382	1,754,621
Other payables	6,579,394	24,059,946
<b>Total</b>	<b>97,735,324</b>	<b>121,948,820</b>

Note 26 - Lease liabilities		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Lease Liabilities	109,109,210	-
<b>Total</b>	<b>109,109,210</b>	<b>-</b>

Note 27 - Current Provisions		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Unfunded	-	-
Provisions for employee benefits	-	-
Gratuity	24,909,726	22,286,431
Leave Encashment	43,550,721	14,578,403
<b>Total</b>	<b>68,460,447</b>	<b>36,864,834</b>

Note 28 - Current tax liabilities		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Advance Tax & TDS (net of provision)	33,858,365	54,924,159
<b>Total</b>	<b>33,858,365</b>	<b>54,924,159</b>

Note 29 - Other current liabilities		
Particulars	(Amount in INR)	
	March 31, 2020	March 31, 2019
Statutory dues (net)	196,978,563	142,455,954
Balance with govt authorities	2,090,306	-
Advance from customers	87,993,299	21,819,424
Unearned Revenue	144,075,428	157,708,239
<b>Total</b>	<b>431,137,596</b>	<b>321,483,616</b>

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Note 30 - Revenue from operations		(Amount in INR)
Particulars	March 31, 2020	March 31, 2019
Sale of Product	214,904,113	91,656,516
Sale of Services	11,818,339,167	11,243,248,305
<b>Total</b>	<b>12,033,243,280</b>	<b>11,334,904,821</b>

Note 31 - Other income		(Amount in INR)
Particulars	March 31, 2020	March 31, 2019
Interest from Bank	2,824,876	-
Interest Others	1,189,029	2,313,389
Dividend on share investment	4,012,196	5,397,283
Profit on sale of investments	26,632,943	22,034,136
Guarantee fees received	-	999,996
Profit on sale of assets (Net)	815,225	-
Sundry balances written back	10,115,745	1,624,942
Unrealised gain on fair value of financial assets	(11,656,489)	20,681,411
Exchange gain (net)	152,632,856	23,446,459
Miscellaneous receipts	18,834,551	54,900,754
<b>Total</b>	<b>205,400,931</b>	<b>131,398,370</b>

Note 32 - Purchase of Products and Licenses		(Amount in INR)
Particulars	March 31, 2020	March 31, 2019
Purchase of IT Products and Licenses	169,840,094	111,486,461
<b>Total</b>	<b>169,840,094</b>	<b>111,486,461</b>

Note 33 - Employee benefit expenses		(Amount in INR)
Particulars	March 31, 2020	March 31, 2019
Basic Salary, Wages & Allowances	7,233,030,805	6,466,906,033
Contribution towards PF & Other funds	291,400,537	248,816,080
Share based compensation	-	9,830,908
Staff Welfare	226,271,780	165,767,870
<b>Total</b>	<b>7,750,703,122</b>	<b>6,891,320,891</b>

Note 34 - Finance costs		(Amount in INR)
Particulars	March 31, 2020	March 31, 2019
Interest on loan from banks	20,263,061	39,823,377
Interest on Leased Assets	13,811,176	-
Interest on loan others	3,698,415	6,420,305
Other finance charges	8,489,370	1,466,322
<b>Total</b>	<b>46,262,022</b>	<b>47,710,004</b>

Note 35 - Depreciation and Amortisation Expenses		(Amount in INR)
Particulars	March 31, 2020	March 31, 2019
Depreciation on property plant and equipment	146,242,675	164,074,438
Depreciation on Leased Assets	106,061,342	-
Amortisation on intangible assets	117,665,372	96,271,334
<b>Total</b>	<b>369,969,388</b>	<b>260,345,771</b>



**Note 36 - Impairment of Goodwill and other assets**

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
Impairment of Goodwill and other assets	157,722,963	-
<b>Total</b>	<b>157,722,963</b>	<b>-</b>

**Note 37 - Other expenses**

(Amount in INR)

Particulars	March 31, 2020	March 31, 2019
IT Infrastructure & Development Cost	109,499,370	54,069,498
Technical fees	631,564,518	953,133,167
Outsourcing cost	533,841,453	240,350,249
Vendor charges	45,606,839	-
Travelling expenses	314,190,182	384,588,324
Recruitment charges	61,651,453	58,526,064
Rent	155,696,660	248,572,761
Electricity expenses	133,452,774	123,489,014
Communication charges	100,291,091	109,860,687
Rates & Taxes	35,503,922	35,727,065
Water charges	2,620,438	2,153,535
Legal & Professional expenses	197,381,909	196,581,429
Audit fees	11,540,321	12,680,949
Link Charges	45,499,786	52,375,308
Insurance	31,619,298	29,871,860
Vehicle expenses	27,584,809	10,335,403
Repairs & Maintenance expenses	95,093,957	142,063,437
Software Maintenance expenses	56,873,379	-
Hire charges	29,803,923	45,764,666
Printing & Stationery	32,661,946	29,881,403
Subscription expenses	38,289,404	26,399,338
Entertainment Expenses	6,839,215	-
Bank Charges	13,753,089	11,918,940
Board Sitting Fees	1,070,000	1,200,000
Loss on sale of subsidiary	4,852,150	-
Sales Promotion	49,871,789	55,918,142
Security Charges	31,043,636	28,476,076
Loss on sale of assets (Net)	-	897,446
Bad Debts Written off	84,024,854	47,686,594
Less: Provision for doubtful debts written back	-	-
Provision for Doubtful Debts	(38,559,708)	53,779,429
Provision for doubtful deposit	-	-
CSR Expenses	20,674,916	1,205,568
Miscellaneous expenses	14,348,890	26,599,782
<b>Total</b>	<b>2,878,186,265</b>	<b>2,995,462,589</b>



Note 38: Fair value measurements

Financial instruments by category

	March 31, 2020			March 31, 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	254,946,950	-	-	755,978,059	-	-
- Debentures	-	-	-	1,275,100	-	-
- Equity instruments	-	15,555,779	77,579,252	-	22,653,382	76,254,719
- Preference shares	15,000,000	-	-	15,000,000	-	2,550,000
Trade receivables	-	-	2,724,508,725	-	-	2,461,372,334
Cash and cash equivalents	-	-	1,951,488,339	-	-	696,353,919
Bank balances other than Cash and cash equivalents	-	-	39,065,476	-	-	38,041,598
Security deposit	-	-	147,507,776	-	-	110,785,025
Fair value of outstanding forward contracts	-	29,724,515	-	-	121,184,121	-
Loan to Employees	-	-	6,515,140	-	-	3,937,955
Unbilled Revenue	-	-	722,698,709	-	-	614,710,524
Other receivables	-	-	14,563,335	-	-	13,207,547
<b>Total financial assets</b>	<b>269,946,950</b>	<b>45,280,294</b>	<b>5,683,926,751</b>	<b>772,253,159</b>	<b>143,837,503</b>	<b>4,017,213,621</b>
<b>Financial liabilities</b>						
Borrowings	-	-	964,644,541	-	-	358,785,841
Trade payables	-	-	897,320,759	-	-	742,373,582
Creditor for capital expenditure	-	-	522,343	-	-	552,898
Fair Value of Outstanding Forward Contracts	-	100,588,970	-	-	-	-
Fair Value of contingent consideration	22,173,378	-	-	-	-	-
Other payables	-	-	245,248,922	-	-	8,919,562
<b>Total financial liabilities</b>	<b>22,173,378</b>	<b>100,588,970</b>	<b>2,107,736,565</b>	<b>-</b>	<b>-</b>	<b>1,110,631,883</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 consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

Financial assets and liabilities measured at fair value At 31 March 2020				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVPL				
Mutual funds	254,946,950	-	-	254,946,950
Preference shares	-	-	15,000,000	15,000,000
Financial Investments at FVOCI				
Fair value of outstanding forward contracts	-	29,724,515	-	29,724,515
Equity instruments	15,555,779	-	-	15,555,779
<b>Total financial assets</b>	<b>270,502,729</b>	<b>29,724,515</b>	<b>15,000,000</b>	<b>315,227,244</b>
<b>Financial Liabilities</b>				
Fair value of outstanding corporate guarantees	-	-	-	-
Fair Value of contingent consideration	-	-	22,173,378	22,173,378
<b>Total financial liabilities</b>	<b>100,588,970</b>	<b>-</b>	<b>22,173,378</b>	<b>122,762,348</b>

Financial assets and liabilities measured at fair value At 31 March 2019				
	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial Investments at FVPL				
Mutual funds	755,978,059	-	-	755,978,059
Debentures	1,275,100	-	-	1,275,100
Preference shares	-	-	15,000,000	15,000,000
Financial Investments at FVOCI				
Fair value of outstanding forward contracts	-	121,184,121	-	121,184,121
Equity instruments	22,653,382	-	-	22,653,382
<b>Total financial assets</b>	<b>779,906,541</b>	<b>121,184,121</b>	<b>15,000,000</b>	<b>916,090,662</b>

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

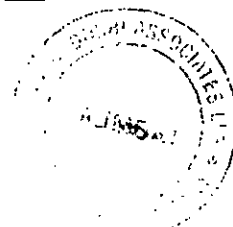
Note 39: Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Import Payables and Receivables on indenting services	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk - security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and foreign Exchange Risk 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



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A) Credit risk  
Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.  
Credit risk management  
The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2020 and March 31, 2019 is the carrying value of such trade receivables as shown in Note 12 of the financials.  
Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount in Rs.
Loss allowance on 31 March 2018	272,974,289
Changes in loss allowance	3,023,131
Loss allowance on 31 March 2019	256,708,542
Changes in loss allowance	(51,392,710)
Loss allowance on 31 March 2020	205,315,832

B) Liquidity risk  
Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.  
Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

C) Market risk  
i) Foreign currency risk  
The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.

a) Foreign currency risk exposure:  
Details of foreign currency exposures not covered by derivative instruments as at March 31, 2020 and March 31, 2019 are given below :

Particulars	Currency	March 31, 2020		March 31, 2019	
		Foreign Currency	Amount in Rs.	Foreign Currency	Amount in Rs.
Receivables	USD	9,512,487	719,048,923	5,799,462	402,611,512
	GBP	2,096,647	196,371,955	1,358,470	122,366,666
	EUR	846,060	70,502,176	764,814	60,088,959
	CHF	435,139	34,232,411	269,767	18,748,820
	AUD	587,081	26,938,698	534,019	26,740,596
	AED	64,735	1,332,249	-	-
	CAD	30,797	1,656,263	9,828	509,173
	SEK	53,431	405,004	187,881	1,397,833
	ZAR	-	-	4,541	234,633
	USD	151,265	11,441,749	1,399,298	96,749,899
Payables	EUR	-	-	13,745	1,027,150
	CHF	143,543	11,284,618	6,289	437,106
	GBP	200	13,732	68,422	6,161,434
	AED	-	-	2	152
	AUD	4,074	186,896	-	-
	SGD	698	37,134	-	-
	-	-	-	-	-

b) Sensitivity  
The Group is mainly exposed to changes in USD, GBP, CHF, AUD and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and EUR exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

Particulars	Amount in Rs.	
	March 31, 2020	March 31, 2019
USD	35,380,359	19,717,797
GBP	9,817,661	6,014,776
EUR	3,525,109	2,953,083
CHF	1,147,390	915,586
SGD	1,857	11,732
AUD	1,337,590	1,312,030
AED	66,612	-
CAD	82,813	75,459
SEK	20,250	69,892

\* Holding all other variables constant

- ii) Cash flow and fair value interest rate risk  
The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2020 and March 31, 2019, the Group's borrowings at variable rate were mainly denominated in INR and USD.
- The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

- a) Interest rate risk exposure  
The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	Amount in Rs.	
	March 31, 2020	March 31, 2019
Variable rate borrowings	477,144,541	55,307,841
Fixed rate borrowings	487,500,000	303,478,000
Total borrowings	964,644,541	358,785,841

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2020			March 31, 2019		
	Weighted average interest rate %	Balance Amount in Rs.	% of total loans	Weighted average interest rate %	Balance Amount in Rs.	% of total loans
Demand Loan	4.38%	477,144,541	49.46%	4.38%	55,307,841	15.42%

- b) Sensitivity  
Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings

	Amount in Rs.	
	Impact on profit after tax	
	March 31, 2020	March 31, 2019
Interest rates – increase by 70 basis points (70 bps) *	(3,340,012)	(387,184)
Interest rates – decrease by 70 basis points (70 bps) *	3,340,012	387,184

\* Holding all other variables constant

- iii) Price risk  
a) Exposure  
The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.
- To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group
- The majority of the group's equity investments are publicly traded.

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Note 40: Capital management

a) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturities of non current borrowings.

	Amount in Rs.	
	March 31, 2020	March 31, 2019
Borrowings	964,644,541	358,785,841
Total equity	7,168,530,000	7,114,661,587
Borrowing to equity ratio	0.13	0.05

b) Dividends

Particulars	Amount in Rs.	
	March 31, 2020	March 31, 2019
(I) Equity shares		
Interim dividend for the year ended March 31, 2020 of Rs. 265 (March 31, 2019 – Rs. 0.50) per fully paid share	31,800,000	14,737,334
(II) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Re. NIL per fully paid equity share (March 31, 2019 – Rs. 1). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	58,949,337

**Note 41: Segment information**

Description of segments and principal activities  
Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.  
The Group organised itself into two business units, which form the operating segments for segment reporting.  
The operating segments are :  
a. IT Services  
b. Business Process Management (BPM)

Particulars	March 31, 2020			March 31, 2019		
	IT	BPM	Total	IT	BPM	Total
Revenue	7,099,613,535	4,933,629,745	12,033,243,280	6,497,671,190	4,837,233,631	11,334,904,821
Identifiable expenses	6,286,030,000	4,511,480,000	10,798,729,481	5,768,159,990	4,228,263,866	9,996,423,856
Segment results	788,057,102	446,456,696	1,234,513,798	729,511,200	608,969,765	1,338,480,965
Unallocable expenses			573,954,373			308,055,775
Share in profit of JV			12,034,532			8,984,392
Other income			205,400,931			131,398,370
Profit before taxes			877,994,889			1,168,961,867
Tax expenses			260,062,592			300,647,391
Profit after tax			617,932,298			868,314,475

**Segment Assets and Liabilities**  
The assets and liabilities used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

**Geographic Segment**  
Revenue attributable to the location of the customers is as follows :

Geographic Location	Amount in Rs.	
	March 31, 2020	March 31, 2019
USA	6,945,301,259	7,039,091,145
Europe	1,912,150,000	2,076,152,480
Rest of World	3,175,792,021	2,219,661,196
Total	12,033,243,280	11,334,904,821

**Note 42: Business Combinations**

Summary of acquisitions in Previous Year

- (i) On April 7, 2018 the parent entity acquired 75.00% of the issued share capital of RJ Globus Solutions Inc (RJ Globus). The principal activities of the company is to engage in call centre and BPO services, inbound and outbound and data processing.
- (ii) On March 17, 2019 one of the subsidiary, Datamatics Digital Limited acquired 51.00% of the issued share capital of Datamatics Staffing Services Limited (DSSL).

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	Amount in Rs.	
	RJ Globus	DSSL
	Amount	Amount
Cash paid	30,400,000	74,460,000
Contingent Consideration	32,550,000	-
Purchase consideration	62,950,000	74,460,000

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	Amount in Rs.	
	RJ Globus	DSSL
	Amount	Amount
Property, plant & equipments	58,787,039	2,601,774
Security deposits	17,591,237	432,755
Deferred tax asset	-	1,839,959
Trade receivables	16,263,028	12,358,862
Cash & Bank Balances	1,857,187	2,385,037
Liquid Investments	-	1,588,047
Advance tax payment (net of provision)	(949,924)	3,178,000
Loans & advances	1,562,232	1,230,004
Customer advance	-	(247,544)
Employee benefits provision	-	(4,302,049)
Trade payables	(35,642,962)	(1,081,212)
Borrowings	(76,690,420)	(18,100,000)
Statutory liabilities	(16,907,292)	(1,682,979)
Unearned Revenue	(15,611,276)	-
Net identifiable assets acquired	(49,741,150)	200,654

Group has acquired all assets and liabilities at fair value except Property, plant & equipment and computer software.



Calculation of goodwill		Amount in Rs	
Particulars		RJ Globus	DSSI
		Amount	Amount
Consideration transferred		62,950,000	74,460,000
Non-controlling interest in the acquired entity		(12,440,000)	(5,000,834)
Net identifiable assets acquired		49,741,150	(200,654)
Goodwill		100,251,150	69,258,512

#### Acquisition related costs

Acquisition related costs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows

- (iii) On March 19, 2019 the parent entity acquired additional 10.00% in Datamatics Digital Limited (DDL).

Amount in Rs.	
Particulars	Amount
Opening net assets	177,935,677
Profit for the period ended March 18, 2019	96,133,262
Net worth as at acquisition date	274,068,939
Additional stake of 10%	27,406,894
Purchase consideration	55,000,000
Capital Reserve / (Goodwill)	(27,593,106)

There is a change in contingent consideration payable to the non-controlling interest of DDL.

Reconciliation of contingent consideration		Amount in Rs.
Particulars		Amount
Contingent consideration on March 31, 2018		159,000,000
Change on account of change in consideration		12,000,000
Change on account of acquisition of additional stake*		(55,000,000)
Contingent consideration on March 31, 2019		116,000,000

#### Note 43: Interests in Joint Venture

##### a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2020 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of Incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

Name of entity	Place of business	% of ownership	Relationship	Accounting method	Amount in Rs.	
					March 31, 2020	March 31, 2019
Cybercom Datamatics Information Solutions Limited	India	50.50%	Joint venture	Equity	77,579,252	67,270,328

##### b) Summarised financial information for joint venture

Amount in Rs.		
Summarised balance sheet	March 31, 2020	March 31, 2019
Current assets		
Cash and cash equivalents	8,018,782	3,665,100
Other assets	113,782,667	112,576,261
Total current assets	121,801,448	116,241,361
Property, Plant & equipment	38,548,259	40,286,722
Other assets	9,212,312	8,204,244
Total non-current assets	47,760,572	48,490,966
Current liabilities		
Financial liabilities	11,308,803	6,054,258
Other liabilities	500,089	729,618
Total current liabilities	11,808,892	6,783,876
Non-current liabilities		
Other liabilities	4,130,842	6,949,001
Total non-current liabilities	4,130,842	6,949,001
Net assets	153,622,286	150,999,450

Reconciliation to carrying amounts			Amount in Rs
Particulars	March 31, 2020	March 31, 2019	
Opening net assets	150,999,450	133,208,570	
Profit for the year	28,445,208	39,570,000	
Other comprehensive income	(252,593)	110,880	
Dividends paid including tax	(25,569,778)	(21,890,000)	
Closing net assets	153,622,286	150,999,450	
Group's share in %	50.50%	50.50%	
Group's share in INR	77,579,255	76,254,719	
Carrying amount	77,579,255	76,254,719	

Summarised statement of profit and loss			Amount in Rs.
Particulars	March 31, 2020	March 31, 2019	
Revenue	79,963,076	105,186,834	
Other Income	6,131,714	2,849,977	
Depreciation and amortisation	(1,890,470)	(2,092,950)	
Finance costs	(6,319)	(999,996)	
Other expenses	(51,696,782)	(54,400,152)	
Income tax expense	(8,476,012)	(10,975,272)	
Profit for the year	24,075,208	39,568,441	
Other comprehensive income	(252,593)	114,783	
Total comprehensive income	23,822,614	39,683,224	
Less: Relating to earlier year	-	21,892,142	
Profit attributable	23,822,614	17,790,582	

Note 44: Earnings per Share

Particulars	March 31, 2020	March 31, 2019
(a) Net Profit after taxation attributable to equity shareholders (Rs.)	347,409,785	425,673,582
(b) Weighted average number of outstanding equity shares considered for Basic EPS	120,000	120,000
(c) Dilutive impact on Net Profit (Rs.)	-	-
(d) Net Profit / (Loss) after taxation attributable to equity shareholders (Rs.) (Nominal value per share Rs. 5 each)	347,409,785	425,673,582
(e) Earnings per share		
Basic earning per share (in Rs.) (a/b)	2,895.08	3,547.28
Diluted earning per share (in Rs.) (d/b)	2,895.08	3,547.28

Note 45: Related party transactions

A As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company and its subsidiaries as

The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below:  
Transactions and balances with its own subsidiaries are eliminated on consolidation

- (i) (A) Joint Venture Company  
Cybercom Datamatics Information Solutions Limited

(B) Key Managerial Personnel  
Dr. Lalit S. Kanodia, Chairman  
Mr. Rahul L. Kanodia, Vice Chairman & CEO  
Mr. Sameer L. Kanodia, Director  
Ms. Divya Kumat, Company Secretary  
Mr. Sandeep Mantri, Chief Financial Officer
- (C) Relatives of Key Managerial Personnel and  
Enterprise owned by Key Managerial Personnel  
Mrs. Asha L. Kanodia  
Mrs. Aneesha Dalmia  
Mrs. Priyadarshini Kanodia  
Datamatics Business Solutions Limited  
Datamatics Infotech Services Private Limited

(ii) Details of transactions with the related parties stated in (i) above :

Sr. No.	Particulars	Amount in Rs.					
		(i) A		(i) B		(i) C	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
[A]	Transactions during the year						
i	Revenue from operations	-	-	-	-	5,811,450	5,598,110
	Datamatics Business Solutions Limited	-	-	-	-	5,811,450	5,598,110
iii	Expenses incurred by related parties	332,053	3,381,962	-	-	6,000	-
	Cybercom Datamatics Information Solutions Limited	332,053	3,381,962	-	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	6,000	-
iv	Expenses incurred for related parties	536,329	-	-	-	-	406,000
	Datamatics Infotech Services Private Limited	-	-	-	-	-	406,000
	Cybercom Datamatics Information Solutions Limited	536,329	-	-	-	-	-
vi	Legal and professional fees	-	-	-	-	433,000	260,637
	Datamatics Business Solutions Limited	-	-	-	-	433,000	260,637
viii	Managerial remuneration	-	-	34,729,000	22,063,347	-	-
	Dr. Lalit S. Kanodia	-	-	10,650,000	8,050,176	-	-
	Mr. Rahul L. Kanodia	-	-	13,290,000	10,551,997	-	-
	Mr. Sameer L. Kanodia	-	-	10,789,000	3,461,173	-	-
ix	Salaries and allowances	-	-	15,510,000	15,909,171	3,300,000	3,129,936
	Mrs. Priyadarshini R. Kanodia	-	-	-	-	3,300,000	3,129,936
	Ms. Divya Kumat	-	-	8,320,000	8,494,203	-	-
	Mr. Sandeep Mantri	-	-	7,190,000	7,414,968	-	-
x	Commission	-	-	9,914,000	7,700,000	250,000	205,000
	Dr. Lalit S. Kanodia	-	-	4,190,000	3,850,000	-	-
	Mr. Rahul L. Kanodia	-	-	4,190,000	3,850,000	-	-
	Mr. Sameer L. Kanodia	-	-	1,534,000	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	250,000	205,000



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Amount in Rs.

Sr. No.	Particulars	(i) A		(i) B		(i) C	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
xi	Board sitting fees	-	-	-	20,000	140,000	190,000
	Dr. Lalit S. Kanodia	-	-	-	10,000	-	-
	Mr. Rahul L. Kanodia	-	-	-	10,000	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	140,000	190,000
xii	Purchase of Property, plant and equipment	-	-	-	-	-	780,000
	Mrs. Aneesha Dalmia	-	-	-	-	-	780,000
xlii	Corporate guarantee fees	-	999,996	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	999,996	-	-	-	-
xv	Sale of Investment In Partnership Firm	-	-	-	429,450	-	-
	Datascan Services	-	-	-	429,450	-	-
xviii	Borrowings	-	-	-	-	-	18,100,000
	Dr. Lalit S. Kanodia	-	-	-	-	-	18,100,000
xvii	Repayment of borrowings during the year	-	-	-	-	-	18,100,000
	Dr. Lalit S. Kanodia	-	-	-	-	-	18,100,000
xvi	Dividend Paid	-	-	4,950,853	1,175,963	4,779,110	1,194,762
	Dr. Lalit S. Kanodia	-	-	3,477,995	807,749	-	-
	Mr. Sameer L. Kanodia	-	-	1,472,858	368,215	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	3,305,258	826,315
	Mrs. Priyadarshini Kanodia	-	-	-	-	1,473,852	368,447
xvii	Loans and advances refunded during the year	-	7,930	-	33,963,890	-	-
	Cybercom Datamatics Information Solutions Limited	-	7,930	-	-	-	-
	Datascan Services	-	-	-	33,963,890	-	-
xviii	Loans and advances given during the year	3,753,849	241,082	-	-	603,982	264,658
	Cybercom Datamatics Information Solutions Limited	3,753,849	241,082	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	264,658
	Datamatics Infotech Services Private Limited	-	-	-	-	603,982	-

Sr. No.	Particulars	(i) A		(i) B		(i) C	
		2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
[B]	Balance as on March 31						
i	Loans and advances receivable	4,302,944	554,221	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	4,302,944	554,221	-	-	-	-
ii	Payables	-	-	9,914,000	27,300,000	-	-
	Dr. Lalit S. Kanodia	-	-	4,190,000	21,950,000	-	-
	Mr. Rahul L. Kanodia	-	-	4,190,000	3,850,000	-	-
	Mr. Sameer L. Kanodia	-	-	1,534,000	1,500,000	-	-
iii	Receivables	968,348	224,997	-	-	2,107,323	3,433,634
	Datamatics Business Solutions Limited	-	-	-	-	2,107,323	3,433,634
	Cybercom Datamatics Information Solutions Limited	968,348	224,997	-	-	-	-
iv	Guarantees	-	50,000,000	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	50,000,000	-	-	-	-



Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

Note 46: Leases

The Group adopted Ind AS 116 w.e.f. April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been

Non-cancellable operating leases

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 37. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

	(Rs. in millions)	
	March 31, 2020	March 31, 2019
Within one year	-	125,168,597
Later than one year but not later than five years	-	178,617,067
Later than five years	-	-

	Amount in Rs.	
	March 31, 2020	March 31, 2019
Rental expense relating to operating leases	155,696,660	248,572,761

Notes:

- Future lease payments are determined on the basis of terms of the lease agreement.
- At the expiry of term of the agreement, the Group has an option either to return the leased asset or extend the term by giving a notice in writing.
- There are no sublease payments as well as no contingent rent.

Note 47: Restricted Stock Unit Plan 2016

One of the subsidiary has granted "Restricted Stock Units" under "LDL RSU PLAN 2016" The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the Company shall be the primary requirement of the vesting.

Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of Rs. 10 per option. The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant.

During the year, Nil amount (P.Y. Rs. 9,830,000) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus & Allowances and the same has been disclosed under Reserves and Surplus -Employee Stock Option Reserve.

Note 48: Events occurring after the reporting period

Dividend

Dividends paid during the year ended March 31, 2020 include an amount of Rs. 1 per equity share towards final dividend for the year ended March 31, 2019.

Dividends declared by the Group are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 14, 2020, the Board of Directors of the Company have not proposed any dividend in respect of the year ended March 31, 2020.

Note 46 : Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and their respective shareholders

Delta Infosolutions Private Limited ('DIPL') is part of a Composite Scheme of Arrangement ("Scheme") between DIPL, Datamatics Infotech Services Private Limited ('DISPL') and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on April 27, 2018. The scheme has the appointed date of April 1, 2019.

The scheme inter-alia provides for:

a) Demerger of demerged undertaking (as defined under the Scheme) of DIPL into DISPL in accordance with Section 2(19AA) of the Income-tax Act, 1961;

Non-strategic Undertaking of Delta	Amount
Investment in Securities	147,219,610
DTA Towards MAT Credit	7,812,791
Other Assets	140,707,383
Less: Liabilities	-
Net Assets in the Demerged Undertaking	295,740,385
Less: Consideration issued upon demerger	120,000
Less: Reserves pertaining to Demerged Undertaking	-
	295,620,385
Add: Capital Reduction of existing share capital as on Effective Date	134,926
Capital Reserve created upon Demerger in the books of DISPL	295,755,311
Net Assets transferred	295,755,311
Less: Reserves pertaining to Demerged Undertaking	-
Capital Reserve created upon Demerger in the books of Delta	295,755,311

Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

Note 46: Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

		Amount in Rs.	
Contingent Liabilities to the extent not provided for:		March 31, 2020	March 31, 2019
(a)	Claims against the Group not acknowledged as debt:		
(i)	Income Tax matters	21,643,255	21,643,255
(b)	Details of guarantees outstanding as at:		
(i)	Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture	48,000,000	98,000,000
(ii)	Guarantees given by banks	447,722,913	341,704,492
(c)	Capital and other commitments:		
(i)	Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	4,963,968	5,934,837
(ii)	Estimated amount payable under business development agreement to business consultant (USD 0.26 million)	19,351,040	17,699,840

Note 47: Forward contracts in foreign currencies

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

Amount in Rs.		
Particulars	March 31, 2020	March 31, 2019
Not later than one month	219,581,396	244,853,408
Later than one month and not later than three months	437,702,581	515,869,112
Later than three months and not later than one year	1,828,105,349	1,976,868,296
Later than one year	1,603,172,272	1,566,051,114
Total	4,088,561,598	4,303,641,929

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

Amount in Rs.						
Foreign Currency	March 31, 2020			March 31, 2019		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	569	40,729,553	(93,940,092)	628	41,915,200	75,938,967
Euro	-	-	-	35	1,785,000	5,910,000
Sterling Pound	149	9,967,956	23,075,638	212	11,100,000	39,330,000
Total			(70,864,454)			121,178,967

Net loss on derivative instruments of Rs. 70,864,454 (gain in Rs. 121,178,967 March 2019) recognised in Hedging Reserve as of March 31, 2020, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2022

Note 48: Revenue from contract with major customers

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2020 and March 31, 2019.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows.

Amount in Rs.		
Particulars	March 31, 2020	March 31, 2019
Balance at beginning of the year	44,126,459	62,507,026
Revenue recognised during the year	250,231,610	139,302,390
Invoices raised during the year	118,316,013	157,682,958
Balance at the end of the year	176,042,056	44,126,459

Note 49: Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

		Amount in Rs.	
		March 31, 2020	March 31, 2019
I.	Defined Contribution Plan		
	Charge to the Statement of Profit and Loss based on contributions:		
	Employers contribution to provident fund	189,350,000	138,631,949
	Employers contribution to other foreign defined contribution plans	80,330,000	85,590,850
	Employers contribution to employees' state insurance	12,406,365	21,613,994
	Employers contribution to employees' pension scheme 1995	-	2,712,959
	Employers contribution to labour welfare fund and others	283,327	276,329
	Included in contribution to provident fund and other funds (Refer Note No.31)	282,369,692	248,826,080

II. Defined benefit plan

i) Movement In Present Value of Obligation

		Amount in Rs			
		Gratuity		Leave encashment	
Particulars		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Present Value of Obligation as at the beginning*		163,441,271	129,131,618	90,146,347	83,449,872
Current service cost		28,870,728	23,257,969	34,806,851	28,791,710
Interest expense or cost		12,655,098	9,968,524	6,959,946	6,445,078
Re-measurement (or Actuarial) (gain) / loss arising from:					
- change in demographic assumptions		(170,006)	(933,790)	(30,527)	119,337
- change in financial assumptions		21,889,838	5,753,088	8,020,732	5,030,565
- experience variance (i.e. actual experience vs assumptions)		28,089,338	5,711,703	(12,077,850)	(430,840)
Past Service Cost		-	13,348,209	-	-
Benefits Paid		(40,501,997)	(18,498,521)	(25,039,838)	(33,260,070)
Acquisition adjustment		1,389,077	61,294,131	510,038	23,918,812
Present Value of Obligation as at the end		215,663,347	111,256,153	103,295,699	68,991,520

\* Opening balances of benefit obligations are excluding figures of Attune Infocom Private Limited which was deconsolidated during the year.

ii) Expenses recognised in the income statement and other comprehensive income

		Amount in Rs.			
		Gratuity		Leave encashment	
Particulars		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Current service cost		28,870,728	23,628,803	34,811,430	29,461,334
Past service cost		-	17,000,000	-	-
Net interest cost on the net defined benefit liability		12,655,098	10,162,123	6,968,167	5,569,438
Actuarial (gains) / losses		-	-	(5,290,274)	8,543,773
Expenses recognised in Profit & Loss Account		41,525,826	10,377,633	36,489,323	26,234,765
Other Comprehensive Income -		-	-	-	-
Actuarial (gains) / losses		-	-	-	-
- change in demographic assumptions		(170,006)	-	-	-
- Change in financial assumptions		21,889,838	36,723	-	-
- Experience variance		28,089,338	10,531,785	-	-
Expenses recognised in OCI		49,809,170	7,033,175	-	-

iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below

		Gratuity		Leave encashment	
Particulars		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Discount Rate (per annum)		5.40% - 7.60%	7.60% - 7.76%	5.40% - 7.60%	7.60% - 7.76%
Salary growth rate (per annum)		3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%
Mortality Rate		IAIM 12-14	IAIM 06-08	IAIM 12-14	IAIM 06-08

iv) Sensitivity Analysis

		Amount in Rs.			
		Gratuity		Leave encashment	
Particulars		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)		141,788,134	126,806,898	107,075,993	96,805,349
Discount rate (- / + 1%)		93,598,869	71,549,548	62,809,912	50,280,570
Salary growth rate (- / + 0.5%)		126,670,834	141,932,097	96,630,332	107,230,239
Salary growth rate (- / + 1%)		71,372,803	93,252,821	50,260,352	62,614,767
Attrition rate (1 / + 1%)		-	-	-	-
Attrition rate (- / + 0.50%)		40,105,420	38,767,775	32,664,151	33,712,374
Attrition rate (- / + 0.25%)		176,659,410	175,584,762	123,824,988	124,592,470
Mortality rate (- / + 1%)		-	-	-	-
Mortality rate (- / + 1%)		215,286,012	215,626,236	157,209,561	157,571,357

Sensitivity Analysis

		(Rs. in Millions)			
		Leave encashment			
Particulars		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
		Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)		-	-	52,090,000	40,540,000
Discount rate (- / + 1%)		113,284,104	94,923,623	60,009,453	49,139,699
Salary growth rate (- / + 0.5%)		-	-	40,340,000	52,250,000
Salary growth rate (- / + 1%)		94,668,453	113,433,052	48,925,243	60,145,883
Attrition rate (1 / + 1%)		-	-	-	-
Attrition rate (- / + 0.50%)		70,311,894	76,257,963	64,072,118	70,412,954
Attrition rate (- / + 0.25%)		28,955,604	29,803,986	31,521,391	32,853,075
Mortality rate (- / + 1%)		-	-	-	-
Mortality rate (- / + 10%)		103,257,202	103,328,270	99,760,072	99,979,194

v) Maturity profile of Defined Benefit obligation

		Amount in Rs.			
		Gratuity		Leave encashment	
Expected Cash flow over the next (valued on undiscounted basis)		March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
1 Year		23,838,605	21,528,842	23,843,404	14,198,917
2 to 5 years		41,397,308	40,357,191	31,866,051	26,753,477
6 to 10 years		69,953,241	62,406,618	28,170,699	30,166,446
More than 10 years		457,475,337	387,966,544	147,821,259	190,909,057

Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

Note 5D: Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2020

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount in Rs.	As % of consolidated profit or loss	Amount in Rs.	As % of consolidated OCI	Amount in Rs.	As % of consolidated TCI	Amount in Rs.
Delta Infosolutions Private Limited	1%	170,356,380	5%	31,477,830	0%	-	4%	31,477,830
Subsidiaries								
Indian								
Datamatics Global Services Limited	38%	4,914,713,578	46%	307,403,160	-114%	(85,953,485)	30%	221,449,675
Cignex Datamatics Technologies Limited	3%	376,031,757	8%	55,578,563	-36%	(26,990,000)	4%	28,588,563
Lumina Datamatics Limited	17%	2,136,972,035	7%	47,187,833	-74%	(56,270,236)	-1%	(9,082,403)
Datamatics Robotics Software Limited	0%	(52,554,988)	-8%	(54,224,886)	-1%	(802,109)	-7%	(55,026,995)
LD Publishing & eRetail Limited	0%	468,888	0%	-	0%	-	0%	-
LDR eRetail Limited	0%	18,064,066	0%	1,445,714	0%	(30,000)	0%	1,415,714
Datamatics Digital Limited	3%	357,502,663	16%	107,788,496	-10%	(7,609,256)	13%	100,179,240
Datamatics Staffing Services Limited	0%	11,404,624	0%	795,159	0%	164,504	0%	959,663
RJ Globus Solutions Private Limited	0%	92,510	0%	(2,360)	-1%	(572,175)	0%	(574,535)
Foreign								
Datamatics Global Services Inc.	4%	538,919,229	-1%	(8,864,293)	61%	46,123,470	5%	37,259,178
Datamatics Robotics Software Inc.	0%	105,394	0%	371,836	0%	480	0%	372,316
Datamatics Infotech Limited	2%	252,877,043	12%	81,624,625	13%	9,783,083	12%	91,407,708
Datamatics Global Services Pty. Limited	0%	17,090,823	0%	1,235,261	-2%	(1,425,061)	0%	(189,800)
Datamatics Global Technologies Limited	9%	1,104,595,004	0%	49,112	125%	94,246,914	13%	94,296,026
Datamatics Global Technologies AG	0%	652,910	0%	25,170	0%	75,289	0%	100,459
Techjini Inc	0%	27,590,165	1%	5,559,979	6%	4,362,145	1%	9,922,124
RJ Globus Solutions Inc	0%	705,588	2%	13,045,749	35%	26,122,594	5%	59,168,343
RJ Globus Inc	0%	704,295	0%	(23,382)	0%	(94,870)	0%	(118,252)
Cignex Datamatics Corporation	-1%	(71,281,959)	0%	-	0%	-	0%	-
Cignex Datamatics Inc.	3%	366,031,398	7%	47,379,566	-27%	(20,604,134)	4%	26,775,432
Cignex Datamatics Pte. Limited	0%	12,484,160	0%	1,130,532	0%	60,000	0%	1,190,532
Cignex Datamatics GmbH	0%	2,405,218	0%	225,056	0%	30,000	0%	255,056
Duo Consulting, Inc.	0%	39,741,480	0%	(1,745,493)	0%	150,000	0%	(1,595,493)
Datamatics Global Services F2 LLC	1%	128,953,931	0%	2,473,239	9%	6,484,740	1%	8,957,978
Datamatics Global Services BV	0%	1,940,284	0%	(134,885)	0%	76,669	0%	(58,216)
Datamatics Global Services Corp.	0%	25,227,316	0%	(874,261)	6%	4,398,331	0%	3,524,070
Lumina Datamatics Inc.	20%	2,528,119,460	6%	41,751,670	36%	27,320,000	9%	69,071,670
Lumina Datamatics GmbH	0%	18,405,713	0%	513,782	20%	15,350,000	2%	15,863,782
Lumina Datamatics Assessment and Analytics, LLC	0%	(5,250,097)	-1%	(8,033,340)	55%	41,280,000	4%	33,246,660
Total	100%	12,923,068,865	100%	673,159,434	100%	75,676,893	100%	748,836,327
Adjustments arising out of consolidation		(9,137,031,065)		(67,261,669)		(41,686,060)		(108,946,749)
Share of Profit in Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		12,034,532		-		12,034,532
Non Controlling Interest								
Indian Subsidiaries								
Datamatics Global Services Limited		3,162,448,153		(290,889,246)		-		(290,889,246)
Lumina Datamatics Limited		-		-		-		-
Attune Infocom Private Limited		-		-		-		-
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		(25,052,580)		2,811,669		-		2,811,669
RJ Globus Solutions Inc		80,817		(1,627,501)		3,181,944		1,554,443
Cignex Datamatics Corporation		248,299,490		(34,809,892)		(17,753,065)		(52,562,957)
Duo Consulting, Inc.		(8,874,483)		54,382,086		-		54,382,086
Total		(5,754,539,673)		(325,749,649)		(56,176,574)		(381,926,223)
Consolidated Net Assets / Profit after tax / OCI / TCI		7,168,529,192		347,409,785		19,500,320		366,910,105

Note 51: Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

	Net Assets i.e.		Share In profit or loss		Share in Other		Share In Total comprehensive	
	As % of consolidated net assets	Amount in Rs.	As % of consolidated profit or loss	Amount in Rs.	As % of consolidated OCI	Amount in Rs.	As % of consolidated TCI	Amount in Rs.
Delta Infosolutions Private Limited	-5%	466,433,861	-47%	31,503,576	-5%	2,285,704	-31%	33,782,280
Subsidiaries								
Indian								
Datamatics Global Services Limited	-52%	4,765,590,666	-435%	292,358,308	-61%	25,416,015	-292%	317,774,323
Cignex Datamatics Technologies Limited	-4%	347,810,000	-73%	48,862,879	3%	(1,340,000)	-44%	47,522,879
Lumina Datamatics Limited	-23%	2,112,450,000	-152%	101,940,000	-13%	5,550,000	-99%	107,490,000
Datamatics Robotics Software Limited	0%	2,472,007	9%	(6,151,092)	3%	(1,376,901)	7%	(7,527,953)
LD Publishing & eRetail Limited	0%	468,888	0%	(25,112)	0%	-	0%	(25,112)
LD eRetail Limited	0%	16,650,000	-2%	1,010,000	0%	10,000	-1%	1,020,000
Datamatics Digital Limited	-3%	257,320,000	-141%	94,670,000	3%	(1,090,000)	-86%	93,580,000
Datamatics Staffing Services Limited	0%	10,444,961	-1%	397,356	0%	(78,284)	0%	319,072
RJ Globus Solutions Private Limited	0%	94,870	0%	(5,130)	0%	-	0%	(5,130)
Attune Infocom Private Limited	0%	12,560,000	-4%	2,820,000	0%	170,000	-3%	2,990,000
Foreign								
Datamatics Global Services Inc.	-5%	538,923,846	-182%	122,161,374	-3%	1,051,050	-113%	123,212,424
Datamatics Robotics Software Inc.	0%	(266,923)	1%	(965,428)	0%	(8,306)	1%	(973,734)
Datamatics Infotech Limited	-2%	161,469,335	-69%	46,633,117	-2%	769,070	-44%	47,402,186
Datamatics Global Services Pty. Limited	0%	16,856,716	-10%	6,557,070	-1%	230,865	-6%	6,787,935
Datamatics Global Technologies Limited	-11%	1,010,293,309	-2%	1,026,322	0%	8,830	-1%	1,035,152
Datamatics Global Technologies AG	0%	552,451	2%	(1,052,220)	0%	(16,101)	1%	(1,068,321)
Techjini Inc	0%	19,787,563	-7%	4,511,634	-2%	870,000	-5%	5,381,634
RJ Globus Solutions Inc	0%	(201,127)	-34%	23,201,720	0%	-	-21%	23,201,720
RJ Globus Inc	0%	667,045	0%	(24,567)	0%	-	0%	(24,567)
Cignex Datamatics Corporation	0%	(43,480,000)	14%	(9,220,000)	0%	-	8%	(9,220,000)
Cignex Datamatics Inc.	-3%	288,500,000	-141%	95,022,835	117%	(48,794,015)	-42%	46,228,820
Cignex Datamatics Pte. Limited	0%	12,120,000	-4%	2,820,000	0%	-	-3%	2,820,000
Cignex Datamatics UK Limited	0%	(1,370,000)	0%	(230,000)	0%	-	0%	(230,000)
Cignex Datamatics GmbH	0%	2,020,000	-1%	440,000	0%	-	0%	440,000
Duo Consulting, Inc.	0%	44,420,000	-6%	3,840,000	0%	-	-4%	3,840,000
Datamatics Global Services FZ LLC	-1%	115,571,704	10%	(6,864,391)	0%	(54,258)	6%	(6,918,649)
Datamatics Global Services Corp.	0%	22,921,568	2%	(1,056,421)	0%	-	1%	(1,056,421)
Lumina Datamatics Inc.	-24%	2,229,860,000	-72%	48,450,000	-151%	62,920,000	-102%	111,370,000
Lumina Datamatics GmbH	0%	16,620,000	-1%	690,000	0%	-	-1%	690,000
Lumina Datamatics Assessment and Analytics, LLC	-1%	107,880,000	5%	(3,690,000)	0%	-	3%	(3,690,000)
<b>Total</b>	<b>100%</b>	<b>12,535,440,740</b>	<b>100%</b>	<b>899,631,833</b>	<b>100%</b>	<b>46,526,668</b>	<b>100%</b>	<b>946,158,501</b>
Adjustments arising out of consolidation		(5,819,185,058)		(118,566,223)		(44,864,707)		(163,430,930)
Share of Profit In Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		8,984,392		-		8,984,392
Non Controlling Interest								
Indian Subsidiaries								
Lumina Datamatics Limited		28,949,835		(3,184,246)		(1,370,000)		(4,554,246)
Attune Infocom Private Limited		16,690,000		(1,380,000)		-		(1,380,000)
Datamatics Digital Limited		52,363,609		(28,420,000)		80,000		(28,340,000)
Datamatics Staffing Services Limited		5,157,179		(194,705)		38,359		(156,345)
Datamatics Global Services Limited		4,733,790		(342,963,536)		-		(342,963,536)
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		17,200,000		1,290,000		-		1,290,000
RJ Globus Solutions Inc		(57,653)		(12,377,635)		-		(12,377,635)
Cignex Datamatics Corporation		229,649,144		(54,115,575)		19,090,000		(35,025,575)
Duo Consulting, Inc.		43,720,000		(1,294,520)		-		(1,294,520)
<b>Total</b>		<b>(5,420,779,154)</b>		<b>(552,222,048)</b>		<b>(27,026,348)</b>		<b>(579,248,396)</b>
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		<b>7,114,661,587</b>		<b>347,409,785</b>		<b>19,500,320</b>		<b>366,910,105</b>

Note 51: Note on Non-banking financial institution company

With effect from May 31, 2018 the Company has become a non-systematically important Core Investment Company as referred to in Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Regulations") pursuant to Para 6 of Master Direction - Exemptions from provisions of RBI Act, 1934 (Master Direction DNBR.PD. 001/03.10.119/2016-17 dated August 25, 2016). Hence it is not required to obtain the COR u/s. 45IA of the Act.

Delta Infosolutions Private Limited  
Notes Forming part of the Consolidated Financial Statements

Note 52: Previous Year Figures  
Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

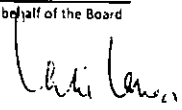
As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
Kunal Vetharia  
Partner  
Membership No. 148916

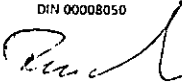
Place : Mumbai  
Date : December 5, 2020



For and on behalf of the Board



Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050



Rahul L. Kanodia  
Director  
DIN 00075801



## **INDEPENDENT AUDITORS' REPORT**

### **To the Members of DELTA INFOSOLUTIONS PRIVATE LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the Standalone Financial Statements of **DELTA INFOSOLUTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

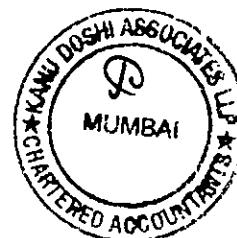
We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Matters**

We draw attention to Note No. 20 of the Standalone Financial Statements which mentions that the Company was a part of a Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited (DISPL) and their respective shareholders u/s 232 read with section 230 along with other provisions of the Companies Act 2013 and rules and regulations made thereunder approved by the Board of Directors of the company. The scheme provided for demerger of Demerged undertaking Delta Infosolutions Private Limited into DISPL with an effective date of April 01, 2019.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**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 Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the 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.

**Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive



to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

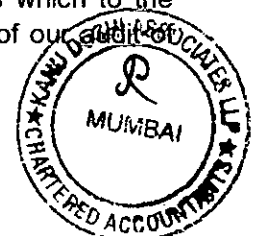
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Standalone Financial Statements.



- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone 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), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Standalone Financial Statements.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) 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) This Report does not contain a statement with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, as per Clause(i) of section 143(3) of the act as, in our opinion, and according to the information and explanations given to us, the clause is not applicable in the case of the company.
- g) The provisions of section 197 read with schedule V of the Act are not applicable to the Company for the year ended March 31, 2020.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For Kanu Doshi Associates LLP  
Chartered Accountants  
FRN. No. 104746W/W100096



Kunal Vakharia  
Partner

Membership no. 148916  
UDIN: 20148916AAAAGF5411

Place: Mumbai

Date: December 05, 2020



- 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 Standalone Financial Statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to obtain registration under Section 45IA of the Reserve Bank of India Act, 1934 and therefore clause 3(xvi) of the Order is not applicable.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm registration No: 104746WW100096



Kunal Vakharia  
Partner

Membership No: 148916

UDIN: 20148916AAAAGF5414

Place: Mumbai

Date: December 05, 2020



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Financial statements March 31, 2020

Standalone balance sheet as at

Particulars	Note	As at March 31, 2020	As at March 31, 2019
(Amount in Rs.)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
i. Investments	1	164,995,821	154,962,395
Deferred tax assets	13(a)	-	13,442,466
Non-current tax assets		4,142,435	2,397,657
<b>Total non-current assets</b>		<b>169,138,256</b>	<b>170,802,518</b>
<b>Current assets</b>			
Financial assets			
i. Investments	2	-	295,340,728
ii. Cash and cash equivalents	3	3,317,344	178,238
iii. Other financial assets	4	11,343	11,344
Other current assets	5	435,292	210,171
<b>Total current assets</b>		<b>3,763,979</b>	<b>295,740,481</b>
<b>Total assets</b>		<b>172,902,235</b>	<b>466,542,999</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7(a)	120,000	120,000
Other equity	7(b)	170,236,380	466,313,861
<b>Total equity</b>		<b>170,356,380</b>	<b>466,433,861</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	8	19,386	93,186
ii. Other financial liabilities	9	2,526,169	-
Other current liabilities	10	300	15,953
<b>Total current liabilities</b>		<b>2,545,855</b>	<b>109,138</b>
<b>Total liabilities</b>		<b>2,545,855</b>	<b>109,138</b>
<b>Total equity and liabilities</b>		<b>172,902,235</b>	<b>466,542,999</b>

The accompanying notes forming an integral part of the financial statements 1 - 25

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

*Kunal*

Kunal Vakharia  
Partner  
Membership No. 148916



Place : Mumbai  
Date : December 5, 2020

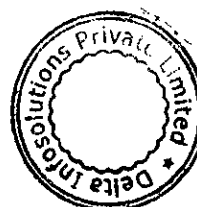
For and on behalf of the Board

*Lalit S. Kanodia*

Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

*Rahul L. Kanodia*

Rahul L. Kanodia  
Director  
DIN 00075801



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Financial statements March 31, 2020

**Standalone statement of profit and loss for the period ended**

		(Amount in Rs.)	
Particulars	Note	Year ended March 31, 2020	Year ended March 31, 2019
Other income	11	32,113,233	31,232,546
<b>Total income</b>		<b>32,113,233</b>	<b>31,232,546</b>
<b>Expenses</b>			
Other expenses	12	1,211,407	1,842,605
<b>Total expenses</b>		<b>1,211,407</b>	<b>1,842,605</b>
<b>Profit before tax</b>		<b>30,901,826</b>	<b>29,389,941</b>
Income tax expense			
- Current tax	13(a)	(16,171)	2,033,499
- Deferred tax	13(a)	(559,833)	(4,147,124)
<b>Total tax expense/(credit)</b>		<b>(576,004)</b>	<b>(2,113,635)</b>
<b>Profit for the year</b>		<b>31,477,830</b>	<b>31,503,576</b>
<i>Items that will not be reclassified to profit or loss</i>			
Fair Value gain on FVOCI investments		-	2,288,704
		-	2,288,704
<b>OCI for the year</b>		-	<b>2,288,704</b>
<b>Total comprehensive income for the year</b>		<b>31,477,830</b>	<b>33,792,280</b>
Earning per share (Face value Rs. 1 each)			
- Basic and Diluted (in Rs.)	19	262.32	262.53
The accompanying notes forming an integral part of the financial statements	1 - 25		

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

For and on behalf of the Board

  
Kunal Vakharia  
Partner  
Membership No. 148916



Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050



Rahul L. Kanodia  
Director  
DIN 00075801

Place : Mumbai  
Date : December 5, 2020





DELTA INFOSOLUTIONS PRIVATE LIMITED  
Financial statements March 31, 2020

A. Equity share capital

Particulars	Amount in Rs.
As at March 31, 2018	120,000
Changes in equity share capital	-
As at March 31, 2019	120,000
Changes in equity share capital	-
As at March 31, 2020	120,000

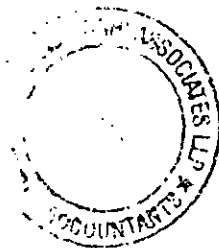
B. Other equity

Particulars	Attributable to owners of Delta Infosolutions Private Limited					Total
	Reserves and surplus			Other reserves		
	Retained earnings	Capital Reserve	General reserve	FVOCI - Equity Investments	Total other equity	
As at March 31, 2018	136,186,237	-	320,325,224	(16,039,881)	440,471,580	440,471,580
Profit for the year	31,503,576	-	-	-	31,503,576	31,503,576
Other comprehensive Income	-	-	-	2,288,704	2,288,704	2,288,704
Total comprehensive Income for the year	31,503,576	-	-	2,288,704	33,792,280	33,792,280
- Interim Dividend on Equity shares	(7,950,000)	-	-	-	(7,950,000)	(7,950,000)
As at March 31, 2019	159,739,813	-	320,325,224	(13,751,176)	466,313,861	466,313,861
Profit for the year (Refer Note 19)	31,477,830	(295,755,311)	-	-	(264,277,481)	(264,277,481)
Other comprehensive Income	-	-	-	-	-	-
Total comprehensive Income for the year	31,477,830	(295,755,311)	-	-	(264,277,481)	(264,277,481)
- Interim Dividend on Equity shares	31,800,000	-	-	-	31,800,000	31,800,000
As at March 31, 2020	159,417,643	(295,755,311)	320,325,224	(13,751,176)	170,236,380	170,236,380

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
Kunal Vakharia


Partner  
Membership No. 148916



Place : Mumbai  
Date : December 5, 2020

For and on behalf of the Board

  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Cash flow statement for the year ended March 31, 2020

	(Amount in Rs.)	
	March 31, 2020	March 31, 2019
<b>A. Cash flow from operating activities</b>		
Profit before tax	30,901,826	29,389,941
<b>Adjustments for :</b>		
Unrealised loss / (gain) on fair value of financial assets	-	(19,250,339)
Profit on sale of investments	-	(3,766,563)
<b>Operating profit before working capital changes</b>	<b>30,901,826</b>	<b>6,373,039</b>
<b>Adjustments for :</b>		
Decrease / (Increase) in other financial and non-financial assets	(225,120)	34,058,385
(Decrease) / Increase in trade payables	(73,800)	(95,786)
(Decrease) / Increase in other financial liabilities	(15,653)	5,600
<b>Cash generated from operations</b>	<b>30,587,253</b>	<b>40,341,238</b>
Direct taxes paid (net)	(1,728,606)	(7,591,303)
<b>Net cash flow from operating activities (A)</b>	<b>28,858,647</b>	<b>32,749,935</b>
<b>B. Cash flow from investing activities</b>		
(Purchase) / Sale of long-term investments	(10,033,427)	132,816,861
Sale / (Purchase) of current investments	13,587,717	(165,383,155)
<b>Net cash flow used in investing activities (B)</b>	<b>3,554,290</b>	<b>(32,566,294)</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid	(31,800,000)	(7,950,000)
<b>Net cash flow used in financing activities (C)</b>	<b>(31,800,000)</b>	<b>(7,950,000)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>612,937</b>	<b>(7,766,359)</b>
Cash and cash equivalents at the beginning of the year	178,238	7,944,597
<b>Net cash and cash equivalents at the end of the year</b>	<b>791,175</b>	<b>178,238</b>

**Note:-**

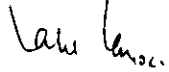
- 1) Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- 2) Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and interest earned of Nil (Rs. 7,478) and dividend earned of Rs. 32,113,233 (Rs. 8,208,167) have been considered as a part of "Cash flow from operating activities".
- 3) Previous year figures have been regrouped / reclassified wherever considered necessary.


As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
**Kunal Vakharia**  
Partner  
Membership No. 148916

Place : Mumbai  
Date : December 5, 2020

For and on behalf of the Board

  
**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

  
**Rahul L. Kanodia**  
Director  
DIN 00075801

**Note 1: Significant accounting policies**

**a) Basis of preparation**

**i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

**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) and contingent consideration that is measured at fair value;
- \* assets held for sale – measured at fair value less cost to sell;
- \* defined benefit plans – plan assets measured at fair value; and
- \* share-based payments

**b) Revenue recognition**

Revenue is accounted for on accrual basis. Dividend income is recognised when right to receive dividend is established. Profit on sale of investment is recognized on sale of investments.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**c) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**d) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or companies of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**e) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**f) 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. Investment in subsidiary is accounted on historical cost.

**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.

**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. Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### 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.

#### g) 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.

#### h) 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 and are usually paid within 30 days of recognition. 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.

#### i) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

#### j) 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.

#### k) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

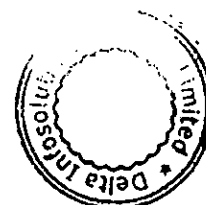
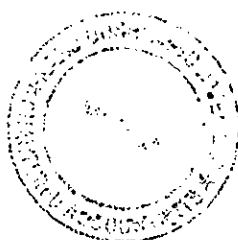
#### l) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

\* the profit attributable to owners of the company

\* by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 17).



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Financial statements March 31, 2020

**Note 1 - Non-current investments**

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
<b>Investment in equity instruments (fully paid-up)</b>		
<b>In subsidiaries</b>		
32,098,742 (31,813,742) Equity Shares of Rs. 5/- each of Datamatics Global Services Limited fully paid	164,995,821	144,996,265
<b>Investment in mutual funds</b>		
<b>Quoted</b>		
Nil (9,32,923) Units of IIFL Income Opportunities Fund Special Situation	-	6,141,030
<b>Investment in debentures</b>		
<b>Unquoted</b>		
Nil (622) Secured Redeemable Non-Convertible Debentures of Rs. 10,000/- each of Arch Agro Industries Private Limited	-	1,275,100
<b>Investment in preference shares</b>		
<b>Unquoted</b>		
Nil (170,000) 14.625% Cumulative Redeemable Preference Shares of Rs. 10/- of Edelweiss Finance & Investments Limited	-	2,550,000
<b>Total</b>	<b>164,995,821</b>	<b>154,962,395</b>

**Note 2 - Current investments**

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
<b>Investment in mutual funds</b>		
<b>Quoted</b>		
Nil (18,927) Units of Birla Sun life Floating rate fund STP - Growth	-	4,737,070
Nil (53,180) Units of ICICI Prudential Liquid - Growth	-	130,274,022
Nil (28,449) Units of Axis Liquid Fund - Direct - Growth	-	53,366,781
Nil (356,025) Units of Birla Sun Life Cash Plus Fund - Direct - Growth	-	106,962,854
<b>Total</b>	<b>-</b>	<b>295,340,728</b>

**Note 3 - Cash and cash equivalents**

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
<b>Bank balances</b>		
Cash on hand	3,316,864	177,758
	480	480
<b>Total</b>	<b>3,317,344</b>	<b>178,238</b>

**Note 4 - Other current financial assets**

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
<b>Other advances</b>		
	11,343	11,344
<b>Total</b>	<b>11,343</b>	<b>11,344</b>

**Note 5 - Other current assets**

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
<b>Prepaid expenses</b>		
Balance with govt authorities	-	4,334
	435,292	205,837
<b>Total</b>	<b>435,292</b>	<b>210,171</b>



Note 7 - Share capital and other equity

7(a) - Equity share capital

(i) Authorised equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	600,000	600,000
Increase during the year	-	-
As at March 31, 2019	600,000	600,000
Increase during the year	-	-
As at March 31, 2020	600,000	600,000

(ii) Authorised redeemable preference share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	650,000	650,000
Increase during the year	-	-
As at March 31, 2019	650,000	650,000
Increase during the year	-	-
As at March 31, 2020	650,000	650,000

(iii) Issued, Subscribed and Paid-up equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	120,000	120,000
As at March 31, 2019	120,000	120,000
As at March 31, 2020	120,000	120,000

(iv) Movements in equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2018	120,000	120,000
As at March 31, 2019	120,000	120,000
As at March 31, 2020	120,000	120,000

(v) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Lalit S. Kanodia	20,000	16.67%	20,000	16.67%
Mrs. Asha L. Kanodia	20,000	16.67%	20,000	16.67%
Mr. Sameer L. Kanodia	40,000	33.33%	40,000	33.33%
Vikrant Trust	40,000	33.33%	40,000	33.33%

7(b) - Reserves and surplus

Particulars	(Amount in Rs.)	
	As at March 31, 2020	As at March 31, 2019
Retained earnings	159,417,643	159,739,813
Capital Reserve	(295,755,311)	-
General reserve	320,325,224	320,325,224
FVOCI - Equity investments	(13,751,176)	(13,751,176)
Total	170,236,380	466,313,861



DELTA INFOSOLUTIONS PRIVATE LIMITED  
Financial statements March 31, 2020

Note 8 - Trade payables		(Amount in Rs.)
Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables	19,386	93,186
Total	19,386	93,186

Note 9 - Other current financial liabilities		
Particulars	As at March 31, 2020	As at March 31, 2019
Payable to related parties	2,526,169	-
Total	2,526,169	-

Note 10 - Other current liabilities		(Amount in Rs.)
Particulars	As at March 31, 2020	As at March 31, 2019
Statutory dues	300	15,953
Total	300	15,953





**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
**Financial statements March 31, 2020**

**Note 11 - Other income**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Interest received	-	7,478
Dividend on share investment	32,113,233	8,202,871
Dividend on mutual fund investment	-	5,296
Profit on sale of investments	-	3,766,562
Unrealised gain / (loss) on fair value of mutual funds	-	19,250,339
<b>Total</b>	<b>32,113,233</b>	<b>31,232,546</b>

**Note 12 - Other expenses**

(Amount in Rs.)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Legal and Professional expenses	1,160,349	957,777
Donation	-	300,000
Audit fees	45,085	193,227
Subscription expenses	-	114,468
Bank charges	-	118
Rates and Taxes	5,401	51,831
Miscellaneous expenses	572	225,183
<b>Total</b>	<b>1,211,407</b>	<b>1,842,605</b>

**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Financial statements March 31, 2020

**Note 13 - Taxation**

**13(a) - Income tax expense**

Particulars	(Amount in Rs.)	
	Year ended March 31, 2020	Year ended March 31, 2019
<i>Current tax</i>		
Current tax on profits for the year	-	6,344,099
Adjustments for current tax of prior periods	(16,171)	(4,310,600)
<b>Total current tax expense</b>	<b>(16,171)</b>	<b>2,033,499</b>
<i>Deferred tax</i>		
MAT credit entitlement		(4,147,134)
Adjustments for MAT credit entitlement of prior periods	(559,833)	
<b>Total deferred tax expense/(benefit)</b>	<b>(559,833)</b>	<b>(4,147,134)</b>
<b>Income tax expense</b>	<b>(576,004)</b>	<b>(2,113,635)</b>

**13(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates**

Particulars		
	Year ended March 31, 2020	Year ended March 31, 2019
<b>Profit for the year</b>	<b>30,901,826</b>	<b>29,389,941</b>
Statutory tax rate applicable to Delta Infosolutions Private Limited	27.82%	27.82%
<b>Tax expense at applicable tax rate</b>	<b>8,596,888</b>	<b>8,176,282</b>
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Exempted income	(8,909,589)	(2,183,729)
Amounts which are not deductible (taxable)	-	95,791
(Gain)/Loss in respect of which deferred tax (liability)/asset not recognized	0	(4,604,280)
Tax adjustment of earlier years	(576,004)	(4,310,600)
Taxable at different rate	-	576,908
Others	312,701	135,993
<b>Income tax expense</b>	<b>(576,004)</b>	<b>(2,113,635)</b>



Financial Instruments by category

	31 March 2020			31 March 2019		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	-	-	-	301,481,758	-	-
- Debentures	-	-	-	1,275,100	-	-
- Preference shares	-	-	-	-	-	-
Cash and cash equivalents	-	-	3,317,344	-	-	2,550,000
Other advances	-	-	11,343	-	-	178,238
Total financial assets	-	-	3,328,687	302,756,858	-	2,739,582
Financial liabilities						
Payable to related party	-	-	2,526,169	-	-	-
Trade payable	-	-	19,386	-	-	-
Total financial liabilities	-	-	2,545,555	-	-	93,186

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.

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2020					(Amount in Rs.)
	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial Investments at FVPL					
Mutual funds	-	-	-	-	-
Debentures	-	-	-	-	-
Total financial assets	-	-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2020					(Amount in Rs.)
	Level 1	Level 2	Level 3	Total	
Financial assets					
Investments					
Equity Shares	-	-	-	-	-
Preference Shares	-	-	-	-	-
Total financial assets	-	-	-	-	-

Financial assets and liabilities measured at fair value - recurring fair value measurements At 31 March 2019					(Amount in Rs.)
	Level 1	Level 2	Level 3	Total	
Financial assets					
Financial Investments at FVPL					
Mutual funds - Growth plan	295,340,728	-	-	295,340,728	
Debentures	1,275,100	-	-	1,275,100	
Bonds	-	-	-	-	
Financial Investments at FVOCI					
Equity Shares	6,141,030	-	-	6,141,030	
Total financial assets	302,756,858	-	-	302,756,858	

Assets and liabilities which are measured at amortised cost for which fair values are disclosed At 31 March 2019					(Amount in Rs.)
	Level 1	Level 2	Level 3	Total	
Financial assets					
Investments					
Preference Shares	-	-	2,550,000	2,550,000	
Total financial assets	-	-	2,550,000	2,550,000	

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds 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 Net Asset Value.

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 and indemnification asset included in level 3.

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

iii) Valuation processes

The carrying amounts of trade payables 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.



The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the company is exposed to and how the company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

Note 16 - Auditors Remuneration

	(Amount in Rs.)	
	Year ended March 31, 2020	Year ended March 31, 2019
For Services as Auditors	25,000	133,308
For Other Services	15,000	48,384
Reimbursement of out of Pocket Expenses	5,085	11,535
Total	45,085	193,227

Note 17 - Capital management

i Dividends

	(Amount in Rs.)	
	31 March 2020	31 March 2019
Equity shares		
Interim dividend for the period ended 31 March 2020 of Rs. 265 (31 March 2019 – Rs. 66.25) per fully paid share	31,800,000	7,950,000



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
**Note 18 - Related Party Transactions**

**(A) Key Managerial Personnel :**

Dr. Lalit S. Kanodia  
Mrs. Asha L. Kanodia  
Mr. Rahul L. Kanodia  
Mr. Sameer L. Kanodia

**(B) Partnership firm, in which Company is a Partner upto April 30, 2018:**  
Datascan Services

**(D) Enterprise owned by Key Managerial Personnel :**

Datamatics Staffing Services Limited (till March 18, 2019)  
Datamatics Business Solutions Limited  
Anemone Management Consultancy Private Limited  
Datamatics Infotech Services Private Limited

**(C) Subsidiary Companies:**

Datamatics Global Services Limited (Direct)  
Datamatics Global Services Inc.  
Datamatics Global Technologies Limited  
Datamatics Global Technologies AG  
Datamatics Infotech Limited  
LD Publishing & eRetail Limited  
Datamatics Global Services FZ LLC  
Datamatics Global Services Pty. Limited  
Datamatics Global Technologies GmbH  
Datamatics Robotics Software Inc  
Datamatics Robotics Software Limited  
Datamatics Global Services Corp.  
Datamatics Global Services BV  
Cignex Datamatics Corporation  
Cignex Datamatics Technologies Limited  
Cignex Datamatics Inc.  
Cignex Datamatics Pte. Limited  
Cignex Datamatics GmbH  
Cignex Datamatics UK Limited  
Duo Consulting, Inc.  
Lumina Datamatics Limited  
Lumina Datamatics Inc.  
Lumina Datamatics GmbH  
LDR eRetail Limited  
Lumina Datamatics Assessment and Analytics, LLC  
Datamatics Digital Limited  
Techjini Inc.  
Datamatics Staffing Services Limited (from March 19, 2019)  
RJ Globus Solutions Inc  
RJ Globus Solutions Private Limited

Details of transactions with the related parties stated above :

Nature of transaction	Refer (A) above		Refer (B) above		Refer (C) above		Refer (D) above	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Legal and Professional Fees	-	-	-	-	-	-	12,100	25,560
Datamatics Business Solutions Limited	-	-	-	-	-	-	12,100	25,550
Dividend Income	-	-	-	-	-	-	-	-
Datamatics Global Services Limited	-	-	-	-	31,813,742	7,953,436	-	-
Investment in Subsidiary	-	-	-	-	31,813,742	7,953,436	-	-
Datamatics Global Services Limited	-	-	-	-	19,999,557	-	-	-
Loans and Advances Repaid during the year	-	-	-	33,963,890	19,999,557	-	-	-
Anemone Management Consultancy Private Limited	-	-	-	-	-	-	-	215,209
Datascan Services	-	-	-	-	-	-	-	215,209
Payables	-	-	-	33,963,890	-	-	-	-
Datamatics Infotech Services Private Limited	-	-	-	-	-	-	-	-

Related parties are identified by the Management and relied upon the Auditors.



Note 19 - Earnings per share

Particulars	March 31, 2020	March 31, 2019
(a) <b>Basic earnings per share</b>		
Net Profit after taxation (in Rs.)	31,477,830	31,503,576
Weighted average number of Equity shares	120,000	120,000
Nominal value of Equity shares (in Rs.)	1	1
Basic earnings per share	262.32	262.53
(b) <b>Diluted earnings per share</b>		
Net Profit after taxation (in Rs.)	31,477,830	31,503,576
Weighted average number of Equity shares	120,000	120,000
Nominal value of Equity shares (in Rs.)	1	1
Diluted earnings per share	262.32	262.53

20 Demerger Note

- i) Delta Infosolutions Private Limited ('DIPL') is part of a Composite Scheme of Arrangement ("Scheme") between DIPL, Datamatics Infotech Services Private Limited ('DISPL') and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on April 27, 2018. The scheme has the appointed date of April 1, 2019.

The scheme inter-alia provides for:

- a) Demerger of demerged undertaking (as defined under the Scheme) of DIPL into DISPL in accordance with Section 2(19AA) of the Income-tax Act, 1961;

Non-strategic Undertaking of Delta	Amount
Investment in Securities	147,219,610
DTA Towards MAT Credit	7,812,791
Other Assets	140,707,983
Less: Liabilities	-
Net Assets in the Demerged Undertaking	295,740,385
Less: Consideration issued upon demerger	120,000
Less: Reserves pertaining to Demerged Undertaking	-
	295,620,385
Add: Capital Reduction of existing share capital as on Effective Date	134,926
Capital Reserve created upon Demerger in the books of DISPL	295,755,311
<b>Net Assets transferred</b>	<b>295,755,311</b>
Less: Reserves pertaining to Demerged Undertaking	-
<b>Capital Reserve created upon Demerger in the books of Delta</b>	<b>295,755,311</b>

- 21 In terms of Section 22 of Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the Enterprises under the above Act, the required information could not be furnished. In view of above and in absence of relevant informations, the Auditor have relied upon the same.
- 22 With effect from May 31, 2018 the Company has become a non-systematically important Core Investment Company as referred to in Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Regulations") pursuant to Para 6 of Master Direction - Exemptions from provisions of RBI Act, 1934 (Master Direction DNBR.PD. 001/03.10.119/2016-17 dated August 25, 2016). Hence it is not required to obtain the COR u/s. 45IA of the Act.
- 23 **Deferred tax assets**  
As Per Ind AS 12, "Income Taxes" the Company would have a net deferred tax asset, primarily comprising of business loss under tax laws. However, as the subsequent realization of such amount in near future is not reasonably certain, the management is of the view that it is prudent not to recognize the deferred tax assets. Accordingly, no deferred tax asset amounting to Rs. 3,13,584/- has not been recognised in these financial statements.
- 24 Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation.
- 25 Figures are rounded off to the nearest of Rupees.

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

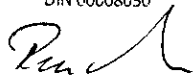
  
Kunal Vakharia  
Partner  
Membership No. 148916

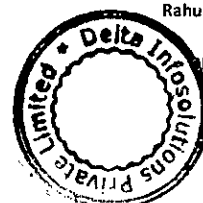


Place : Mumbai  
Date : December 5, 2020

For and on behalf of the Board

  
Dr. Lalit S. Kanodia  
Chairman  
DIN 0008050

  
Rahu L. Kanodia  
Director  
DIN 00075801



## **Independent Auditor's Report**

To,  
The Members of **DELTA INFOSOLUTIONS PRIVATE LIMITED**

### **Report on Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated Financial Statements of **DELTA INFOSOLUTIONS PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary companies and its joint venture mentioned in Annexure A (the Holding Company and its subsidiary companies and its joint venture together referred to as "the Group"), which comprises of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on our audit and on the consideration of report of the other auditor on consolidated financial statements of the subsidiary company referred in the paragraph on "Other Matters" below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their Consolidated state of affairs of the Group and its Joint Venture as at March 31, 2021 and their consolidated financial performance (comprising of consolidated profit and consolidated other comprehensive income), their consolidated Cash flow and consolidated statement of changes in equity for the year ended on that date.

#### **Basis of Opinion**

We conducted our audit 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 Responsibilities for the Audit of the Consolidated Financial Statements Section of our report. We are independent of the Group and its Joint venture in accordance with the Code of Ethics issued by The Institute of Chartered Accountant of India (ICAI), and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other Matters**

1. We did not audit the Consolidated financial statements / information of Datamatics Global Services Limited (Subsidiary Company) which includes 27 step down subsidiaries and one joint venture included in the consolidated financial statements whose financial statements reflect total assets of Rs. 9,08,06,67,394/- as at March 31, 2021 and total revenue of Rs. 11,49,05,25,444/-, net cash outflow of Rs.





95,72,23,241/- , total comprehensive income (comprising of profit and other comprehensive income) of Rs. 1,02,58,00,869/- for the year ended March 31, 2021. This Consolidated financial statements of Subsidiary Company and other financial information have been audited by other auditor whose report have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of this subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements and our report is not modified in respect of this matter.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the consolidated Financial position, the consolidated Financial performance, of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal Financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable





assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal Financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Consolidated Financial Statements of such entities included in the consolidated Financial Statements of which we are the independent auditors. For the other entities included in the consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Financial Statements of which we are the





independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditor on Consolidated financial statements of a subsidiary referred to in Point 1 in the paragraph on "Other Matters", we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the Holding Company, its subsidiaries included in the Group and Joint Venture, so far as appears from our examination of those books and report of the other auditor.
- c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and Joint Venture including relevant records for the purpose of preparation of the aforesaid consolidated financial statements.
- d) In our opinion, the consolidated 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 of the Company as on March 31, 2021, taken on record by the Board of Directors of the Company, none of the Directors of the Company and its associate company is disqualified as on March 31, 2021 from being appointed as a Director in terms of



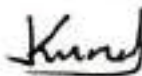
Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company and its subsidiaries and its Joint Venture and the operating effectiveness of such controls, refer to our separate report in "Annexure B";
- g) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Subsidiary companies and its joint venture incorporated in India, wherever applicable, to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Subsidiary companies and its joint venture incorporated in India 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.

- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note 48 to the consolidated financial statements.
- ii) The Group did not have any material foreseeable losses on long term contracts including derivatives contracts.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration Number: 104746W/W100096



Kunal Vakharia  
Partner  
Membership No: 148916  
UDIN: 21148916AAAAJX9669



Place: Mumbai  
Date: 5<sup>th</sup> October 2021



## ANNEXURE A TO THE AUDITORS' REPORT

Sr. No.	Name	Subsidiary/ Step Down Subsidiary/ Joint Venture
1	Datamatics Global Services Limited	Subsidiary
2	Datamatics Global Services Inc	Step Down Subsidiary
3	Datamatics Infotech Limited	Step Down Subsidiary
4	Datamatics Global Services Pty. Limited	Step Down Subsidiary
5	Datamatics Global Technologies Limited	Step Down Subsidiary
6	Datamatics Global Technologies AG	Step Down Subsidiary
7	Datamatics Global Services FZ LLC	Step Down Subsidiary
8	Datamatics Global Services Corp	Step Down Subsidiary
9	Datamatics Global Services B.V.^	Step Down Subsidiary
10	LD Publishing & eRetail Limited*	Step Down Subsidiary
11	Datamatics Digital Limited**	Step Down Subsidiary
12	Techjini Inc**	Step Down Subsidiary
13	Datamatics Staffing Services Limited	Step Down Subsidiary
14	Datamatics Robotics Software Inc	Step Down Subsidiary
15	Datamatics Robotics Software Limited	Step Down Subsidiary
16	RJ Globus Solutions Inc	Step Down Subsidiary
17	RJ Globus Inc	Step Down Subsidiary
18	RJ Globus Solutions Private Limited#	Step Down Subsidiary
19	Cignex Datamatics Corporation***	Step Down Subsidiary
20	Cignex Datamatics Inc@	Step Down Subsidiary
21	Cignex Datamatics Technologies Limited@	Step Down Subsidiary
22	Cignex Datamatics Pte. Limited@	Step Down Subsidiary
23	Duo Consulting, Inc.\$	Step Down Subsidiary
24	Lumina Datamatics Limited	Step Down Subsidiary
25	LDR eRetail Limited	Step Down Subsidiary
26	Lumina Datamatics Inc	Step Down Subsidiary
27	Lumina Datamatics GmbH	Step Down Subsidiary
28	Lumina Datamatics Assessment and Analytics, LLC	Step Down Subsidiary
29	Cybercom Datamatics Information Solutions Limited	Joint Venture

^ Incorporated during the previous year

\* Striked off w.e.f. March 22, 2021

\*\* Merged

\*\*\* Liquidated w.e.f. August 17, 2020

# Under process of striking off

\$ Sold on April 1, 2020

@ Divested w.e.f. January 1, 2021



**ANNEXURE B TO THE AUDITORS' REPORT****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated financial statements **DELTA INFOSOLUTIONS PRIVATE LIMITED** ("hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial control over financial reporting of the Holding company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture, are responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and Joint Venture, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013("the Act").

**Auditors' Responsibility**

Our responsibility is to express an opinion on, the Holding Company's and its subsidiary companies' incorporated in India, wherever applicable, and its Joint Venture's, internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, to the extent applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.





Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor in terms of their reports referred to in the paragraph on 'Other Matters', is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture internal financial controls system over financial reporting.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.





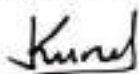
**Opinion**

In our opinion and based on the opinion expressed in the report of other auditor, the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm Registration Number: 104746W/W100096



Kunal Vakharia

Partner

Membership No: 148916

UDIN: 21148916AAAAJX9669



Place: Mumbai

Date: 5<sup>th</sup> October 2021

Balance Sheet as at March 31, 2021

(Amount in INR)			
Particulars	Note	March 31, 2021	March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	3	1,254,955,562	1,180,055,492
Capital work-in-progress	3	8,004	7,529,648
Goodwill	4	734,500,093	1,947,921,555
Other intangible assets	4	81,629,013	165,176,723
Right-to-use assets	4	173,269,052	172,848,171
Intangible assets under development	4	-	3,734,000
<b>Financial assets</b>			
i. Investments	5	106,035,388	108,135,031
ii. Loans	6	266,401	1,299,670
iii. Other financial assets	7	131,428,915	138,601,308
Deferred tax assets (Net)	8	153,886,315	50,313,052
Non-current tax assets (Net)	9	137,332,782	163,436,169
Other non-current assets	10	6,835,444	4,556,899
<b>Total non-current assets</b>		<b>2,670,453,968</b>	<b>3,943,437,720</b>
<b>Current assets</b>			
<b>Financial assets</b>			
i. Investments	11	1,459,251,382	234,946,996
ii. Trade receivables	12	1,895,029,400	2,724,508,723
iii. Cash and cash equivalents	13	933,553,147	1,951,488,330
iv. Bank balances other than (i) above	14	134,393,337	89,045,474
v. Loans	15	4,654,547	10,985,469
vi. Other financial assets	16	1,393,893,626	770,143,027
Current tax assets (Net)	17	75,828,764	48,493,130
Other current assets	18	321,027,139	351,710,003
<b>Total current assets</b>		<b>6,427,025,338</b>	<b>6,152,321,118</b>
Asset held for sale		-	12,500,000
<b>Total Assets</b>		<b>9,097,479,306</b>	<b>10,108,238,838</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	19(i)	120,000	120,000
Other equity	19(ii)	3,962,343,848	3,740,022,328
<b>Equity attributable to owners of Datamatics Global Services Limited</b>		<b>3,962,343,848</b>	<b>3,740,022,328</b>
Non-controlling interests		3,254,061,543	3,166,293,298
<b>Total equity</b>		<b>7,156,405,391</b>	<b>6,906,315,626</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i. Lease liabilities	20	105,004,585	102,443,332
ii. Other financial liabilities	21	5,743,298	52,245,948
Provisions	22	272,148,809	278,488,382
<b>Total non-current liabilities</b>		<b>382,896,722</b>	<b>433,177,662</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Borrowings	23	-	964,644,541
ii. Trade payables	24	7,884,500	5,610,054
Dues of Micro and small enterprises		487,640,873	891,690,705
Dues other than Micro and small enterprises		43,588,922	97,735,324
iii. Other financial liabilities	25	95,443,868	109,109,210
iv. Lease liabilities	26	30,940,875	68,460,447
Provisions	27	27,563,200	15,237,675
Current tax liabilities (Net)	28	394,552,337	431,837,986
Other current liabilities	29	1,547,885,193	1,585,625,552
<b>Total current liabilities</b>		<b>1,990,783,915</b>	<b>3,825,803,013</b>
<b>Total liabilities</b>		<b>2,373,680,637</b>	<b>4,259,020,675</b>
<b>Total equity and liabilities</b>		<b>9,530,185,976</b>	<b>11,167,259,503</b>

The accompanying notes forming an integral part of the financial statements

As per our attached report of even date  
for Kunal Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 204749W/W300096

For and on Behalf of the Board

Kunal Vakharia  
Partner  
Membership No. 348834



Dr. Lalit S. Kanodia  
Chairman  
DIN 00098059

Rahul L. Kanodia  
Director  
DIN 00075801

Place : Mumbai  
Dated :

Statement of Profit and Loss for the year ended March 31, 2021

		(Amount in INR)	
Particulars	Note	March 31, 2021	March 31, 2020
Revenue from Operations	30	11,490,525,444	12,033,143,280
Other income	31	307,526,087	205,400,931
<b>Total income</b>		<b>11,598,051,532</b>	<b>12,238,544,211</b>
<b>Expenses</b>			
Purchase of products and licenses	32	105,053,859	169,840,294
Employee Benefit Expenses	33	7,707,864,970	7,750,703,122
Finance Costs	34	32,442,810	46,262,022
Depreciation and Amortisation Expenses	35	394,808,046	369,959,388
Other Expenses	36	2,256,297,555	2,878,186,265
<b>Total expenses</b>		<b>10,496,507,240</b>	<b>11,114,960,892</b>
<b>Profit before exceptional items and tax</b>		<b>1,301,544,292</b>	<b>1,023,683,319</b>
Exceptional items	37	(13,433,854)	(157,712,963)
<b>Profit before share of net profits of investments accounted for using the equity method and tax</b>		<b>1,088,110,437</b>	<b>865,970,357</b>
Share of net profits of associates and joint ventures accounted for using the equity method		4,364,736	12,034,532
<b>Profit before tax</b>		<b>1,092,475,173</b>	<b>877,994,889</b>
Tax expense			
- Current tax	8(a)	313,364,076	145,771,367
- Deferred tax	8(a)	(59,580,306)	15,492,407
<b>Total tax expense</b>		<b>253,783,770</b>	<b>161,263,774</b>
<b>Profit for the year</b>		<b>838,691,403</b>	<b>716,731,116</b>
Share of Non controlling interest in Profit for the year		405,877,551	169,975,391
<b>Profit for the year</b>		<b>432,813,851</b>	<b>546,755,724</b>

Statement of other comprehensive income (OCI) for the year ended March 31, 2021

		(Amount in INR)	
Particulars	Note	March 31, 2021	March 31, 2020
<b>Items that will be reclassified to profit or loss</b>			
Cash Flow Hedges		112,315,739	(192,018,574)
Foreign currency translation reserve movement		156,668,270	166,891,126
Tax relating to above		(28,267,954)	57,243,167
		<b>240,716,055</b>	<b>52,085,719</b>
<b>Items that will not be reclassified to profit or loss</b>			
Actuarial gains and losses		(6,927,411)	(49,386,867)
Changes in fair value of FVOCI instruments		9,295,322	(7,168,576)
Tax relating to above		952,389	15,143,330
		<b>3,320,270</b>	<b>(41,412,113)</b>
<b>OCI for the year</b>		<b>244,036,325</b>	<b>(13,528,693)</b>
Share of Non Controlling interest in Other Comprehensive income		119,695,239	(14,052,418)
<b>OCI for the year</b>		<b>124,341,116</b>	<b>523,725</b>
<b>Total comprehensive income for the year</b>		<b>557,154,967</b>	<b>547,279,449</b>
<b>Earnings per Equity Share (of Rs. 1 each)</b>	44		
- Basic (in Rs.)		3,606.78	2,889.63
- Diluted (in Rs.)		3,506.78	2,889.63

The accompanying notes forming an integral part of the financial statements

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104745W/W100095

For and on Behalf of the Board

*Kanu*

Kunal Vakharia

Partner

Membership No. 148346

Place : Mumbai

Dated :



*Rahul L. Kanodia*

Dr. Lalit S. Kanodia

Chairman

DIN 0008050

*Rahul L. Kanodia*

Rahul L. Kanodia

Director

DIN 00075801



**DELTA INFO SOLUTIONS PRIVATE LIMITED**  
**Consolidated Cash flow statement for the year ended March 31, 2021**

(Amount in INR)

	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before share of Net Profit of Joint Venture and Tax	1,088,110,437	865,960,357
<b>Adjustments for:</b>		
Depreciation and amortisation expense	275,319,134	253,908,046
Provision for doubtful debts, advances	70,292,283	45,465,146
Impairment of Goodwill and other assets	365,892,732	157,722,963
Sundry balance written off / (back) (net)	(9,685,746)	(10,115,745)
Loss/(Profit) on sale fixed assets (net)	(1,165,311)	(815,225)
Lease Rent Ind AS 116 impact	19,540,442	(20,390,031)
Interest expense	28,258,429	23,961,476
Unrealised gain on fair value of financial assets	(6,416,834)	11,656,489
Exchange gain on sale of investment	(111,535,090)	-
Exchange gain on buy back of shares	(194,425,186)	-
Profit on sale of investments	(11,040,583)	(26,632,943)
Loss/(Profit) on sale of subsidiary	(36,498,690)	4,852,150
Dividend income	(759,076)	(4,012,196)
Unrealised foreign exchange (gain) / loss	(80,834,509)	(24,012,404)
Interest income	(26,010,810)	(4,013,504)
<b>Operating profit before working capital changes</b>	<b>1,349,041,799</b>	<b>1,283,534,179</b>
<b>Adjustments for:</b>		
(Increase) / Decrease in trade receivables	545,089,116	(271,572,551)
(Increase) / Decrease in loans	1,594,192	(8,327,185)
(Increase) / Decrease in other financial and non-financial assets	(865,593,574)	(215,992,531)
Increase/(Decrease) in trade payables	184,892,193	147,895,257
Increase/(Decrease) in other financial and non-financial liabilities	(1,846,464)	216,717,532
<b>Cash generated from operations</b>	<b>1,273,177,082</b>	<b>1,151,854,792</b>
Direct taxes paid (net)	(256,112,918)	(317,759,948)
<b>Net cash flow from operating activities (A)</b>	<b>1,017,064,164</b>	<b>834,094,754</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets / capital work-in-progress	(164,180,391)	(210,137,541)
Sale of fixed assets	1,688,205	5,357,050
Payment towards acquisition of subsidiary / non controlling interest	(5,713,656)	(124,225,388)
Proceeds on disposal of subsidiaries	519,476,558	-
(Purchase)/Sale of investments (net)	(1,214,091,564)	220,509,123
Dividend received from others	759,076	4,012,196
Dividend received from joint venture	50,500,090	10,710,000
Interest received	9,598,715	1,117,881
<b>Net cash flow used in investing activities (B)</b>	<b>(792,963,037)</b>	<b>(92,644,669)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds / (Repayment) of short-term borrowings	(564,644,541)	605,858,700
Issue of Equity Shares by subsidiary	4,048,191	-
Dividend paid (including taxes)	-	(98,865,075)
Interest paid	(29,238,962)	(27,980,964)
<b>Net cash flow used in financing activities (C)</b>	<b>(589,835,312)</b>	<b>514,012,682</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>(765,734,306)</b>	<b>1,235,462,767</b>
Cash and cash equivalents at the beginning of the year	1,951,488,339	696,353,919
(Less: Cash and cash equivalents of disposal on subsidiaries)	(192,194,886)	(328,347)
<b>Net cash and cash equivalents at the end of the year (Refer Note No.13)</b>	<b>893,559,147</b>	<b>1,951,488,339</b>

1. Cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standards (Ind AS 7) statement of cash flows.

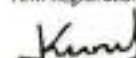
2. Previous year figures have been regrouped and rearranged wherever considered necessary to make them comparable with those of the current year.

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W/200096



Kunal Vakharia

Partner

Membership No. 148916

Place: Mumbai

Date:

For and on behalf of the Board



Dr. Lata S. Kanodia

DIN 00008050

Chairman



Rahul L. Kanodia

Director

DIN 00075801



**Note 1: General Information**

Delta Infosolutions Private Limited (Delta) is holding company of Datamatics Global Services Limited (DGSL), having CIN U72300MH1992PTC064911 was incorporated on 17 January 1992. DGSL is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

The group, a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT), Business Process Management (BPM) and Consulting services. The Group provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

**Note 2: Significant Accounting Policies**

**a) Basis of Preparation of Financial Statements:**

**Compliance with Ind AS**

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

The consolidated financial statements were approved by the Group's Board of Directors and authorised for issue on May 26, 2021.

**b) Basis of Consolidation:**

**i) Subsidiaries**

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2021 and as at March 31, 2020 are summarized below:

Name of the Subsidiary	2020 - 21		2019 - 20	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Limited	India	54.45	India	54.45
Datamatics Global Services Inc	USA	54.45	USA	54.45
Datamatics Infotech Limited	UK	54.45	UK	54.45
Datamatics Global Services Pty. Limited	Australia	54.45	Australia	54.45
Datamatics Global Technologies Limited	Mauritius	54.45	Mauritius	54.45
Datamatics Global Technologies AG	Switzerland	54.45	Switzerland	54.45
Datamatics Global Services FZ LLC	U.A.E	54.45	U.A.E	54.45
Datamatics Global Services Corp	Philippines	54.45	Philippines	54.45
Datamatics Global Services B.V. ^	Netherlands	54.45	Netherlands	54.45
LD Publishing & eRetail Limited*	India	-	India	54.45
Datamatics Digital Limited**	India	-	India	54.45
Techini Inc**	USA	-	USA	54.45
Datamatics Staffing Services Limited	India	27.77	India	27.77
Datamatics Robotics Software Inc	USA	50.62	USA	54.45
Datamatics Robotics Software Limited	India	50.62	India	54.45
RJ Globus Solutions Inc	Philippines	54.45	Philippines	47.64
RJ Globus Inc	USA	54.45	USA	47.64
RJ Globus Solutions Private Limited#	India	54.45	India	47.64
Cignex Datamatics Corporation***	BVI	-	BVI	34.04
Cignex Datamatics Inc@	USA	-	USA	34.04
Cignex Datamatics Technologies Limited@	India	-	India	34.04
Cignex Datamatics Pte. Limited@	Singapore	-	Singapore	34.04
Dao Consulting, Inc.\$	USA	-	USA	22.46





Name of the Subsidiary	2020 - 21		2019 - 20	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Lumina Datamatics Limited	India	54.45	India	54.45
LDR eRetail Limited	India	54.45	India	54.45
Lumina Datamatics Inc	USA	54.45	USA	54.45
Lumina Datamatics GmbH	Germany	54.45	Germany	54.45
Lumina Datamatics Assessment and Analytics, LLC	USA	35.39	USA	35.39

\* Incorporated during the previous year

\* Striked off w.e.f. March 32, 2021.

\*\* Merged

\*\*\* Liquidated w.e.f. August 17, 2020

# Under process of striking off

\$ Sold on April 1, 2020

@ Divested w.e.f. January 1, 2021

The financial statements of the Parent Group and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-Group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the Parent Group and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

Non controlling interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the non controlling shareholders at the dates on which investments are made by the Parent Group in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

The Parent Group and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with CAAP prevalent in their respective countries of domicile.

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of change of depreciation on fixed assets and other insignificant items for which the accounting treatment is given on the basis of local laws applicable in the respective country, for which using uniform accounting policies for the purpose of consolidation is impracticable.

#### ii) Joint ventures

Interests in joint ventures are accounted for using the Equity method, after initially being recognised at cost in the consolidated balance sheet.

Name of the Joint venture	2020 - 21		2019 - 20	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Cybercom Datamatics Information Solutions Limited	India	27.50	India	27.50

#### Equity Method :

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.



**iii) Historical cost convention**

- The consolidated financial statements have been prepared on a historical cost basis, except for the following:
  - \* certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;
  - \* defined benefit plans – plan assets measured at fair value.

**iv) Measurement of fair values**

A number of Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has established policies and procedure with respect to measurement of fair values. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

**c) Use of Estimates**

The preparation of consolidated financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the year in which the results are known / materialized.

**d) Foreign currency translation****i) Functional and presentation currency**

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

**ii) Transactions, balances and translation**

Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transaction.

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period. Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve. Exchange Difference arising on investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

**e) Revenue recognition**

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract.

Revenue related to fixed price maintenance and support services contracts where the Group is standing ready to provide services is recognised based on time elapsed mode and revenue is straight lined over the period of performance.

In respect of other fixed-price contracts, revenue is recognised using percentage-of-completion method ('POC method') of accounting with contract cost incurred determining the degrees of completion of the performance obligation.

Revenue from the sale of distinct internally developed software and third party software is recognised upfront at the point in time when the software is delivered to the customer. In cases where implementation services rendered significantly modifies or customise the software, these services and software are accounted for as a single performance obligation and revenue is recognised over time on a POC method.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer.

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.

**Current income taxes**

The current tax expense include income tax expense payable by the Group.

Current income taxes payable by overseas subsidiaries is computed in accordance with tax laws applicable in the jurisdiction in which the respective subsidiaries operates.

Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in some tax jurisdictions.

**Deferred tax**

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.





At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

**g) Leases**

The Group 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 Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group 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 group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group are reasonably certain not to exercise that option. In assessing whether the Group are 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 Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group 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. The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

**h) Cash and cash equivalents**

The Group considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

**i) Cash Flow Statement**

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

**j) Trade receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

**k) Investments and other financial assets**

**i) Classification**

The Group classifies its financial assets in the following measurement categories:

- \* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- \* those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

**ii) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt Instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- \* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.



\* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

\* **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

#### Equity instruments

The Group subsequently measures all equity investments, at fair value (except investment in joint venture which is valued at cost less impairment losses, if any). Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### iv) Derecognition of financial assets

A financial asset is derecognised only when

\* The Group has transferred the rights to receive cash flows from the financial asset or

\* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

#### v) Income recognition

##### Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

##### Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

#### ii) Derivatives and hedging activities

The Group uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The Group does not use the forward contract for speculative purposes. The Group designates these hedging instruments as cash flow hedge. The use of hedging instruments is governed by the Group's policies approved by the Board of Directors, which provide written principles on the use of such financial derivatives consistent with the Group's risk management strategy.





- \* Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised through other comprehensive income and the ineffective portion is recognised immediately in the Statement of Profit and Loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

**m) Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**n) Property, Plant and Equipment**

Property, Plant and Equipments are valued at cost, except for certain Property, Plant and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

**Depreciation methods, estimated useful lives and residual value**

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold land, leasehold premises and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years and Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

**o) Intangible assets**

**i) Goodwill**

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Goodwill on consolidation of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

**ii) Trademarks, copyrights and other rights**

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and non-compete fees acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

**iii) Computer software**

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.



**iv) Other Intangible assets**

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

**v) Amortisation methods and periods**

The Group amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Patents, Trademarks, Copyrights	3 - 5 years
Customer contracts	3 years
Computer Software	3 years
Other intangible assets	3 years

**p) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**q) Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**r) Borrowing costs**

Borrowing costs, which are directly attributable to the acquisition, construction or production of a qualifying assets are capitalised as a part of the cost of the assets. Other borrowing costs are recognised as expenses in the year in which they are incurred.

**s) Provision, Contingent Liabilities and Contingent Assets**

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.





**t) Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

In case of Parent Group and its Indian Subsidiaries: (i) Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liability towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

Foreign subsidiaries maintain a defined contribution retirement plan, which covers substantially all the employees of the foreign subsidiaries and qualifies as a deferred salary arrangement under laws of respective countries. The Group matches employees' contributions at the discretion of the Group.

**u) Contributed equity**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**v) Earnings per share**

In determining Earnings per Share, the Group considers the net profit attributable to Group's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**w) Business Combinations**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

Purchase consideration paid in excess of fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of identifiable assets and liabilities, the excess is recognised as capital reserve.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries.

Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the aggregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholder's equity.

**x) Recent Indian Accounting Standards (Ind AS)**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- Specified format for disclosure of shareholding of promoters.

- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.

- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.



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**Note 3 - Property, plant and equipment**

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	Capital work-in-progress	(Amount in INR)
<b>Grass block</b>											
<b>As at March 31, 2019</b>	302,848,546	270,297,921	184,283,468	208,194,891	249,468,783	200,756,772	173,032,885	35,298,492	1,508,621,668	9,743,841	
Additions	-	-	8,740,016	41,717,979	37,011,480	41,472,834	13,157,650	7,519,533	149,619,481	9,458,821	
Disposals / derecognised	-	-	(29,905)	(238,056)	(12,236,134)	(11,297,303)	(4,679,464)	(3,640,268)	(31,921,135)	(11,913,016)	
Exchange differences	-	-	-	9,931,047	10,538,589	4,738,606	3,510,483	(749,569)	28,029,193	-	
<b>As at March 31, 2020</b>	302,848,546	270,297,921	192,993,575	254,695,772	384,772,718	285,280,903	185,221,554	38,028,378	1,754,349,165	7,329,646	
Additions	-	-	671,773	26,496,036	4,734,451	114,574,527	6,898,727	6,706,565	160,032,149	3,000	
Disposals (due to divestment)	-	-	-	-	(14,768,735)	(13,168,806)	(24,668,282)	(535,547)	(53,141,370)	-	
Disposals / derecognised	-	-	(573,567)	(5,364,000)	(617,114)	(943,616)	(98,000)	-	(7,596,297)	(7,329,646)	
Transfer/Reclass	-	-	20,000	(6,610,000)	(180,600,000)	149,910,000	12,820,000	4,460,000	-	-	
Exchange differences	-	-	-	1,888,590	(1,221,212)	26,590,000	1,987,991	(70,000)	28,384,760	-	
<b>As at March 31, 2021</b>	302,848,546	270,297,921	193,111,781	271,016,754	93,459,108	590,193,008	182,111,990	38,969,292	1,882,028,409	3,000	

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Plant & Equipment	Computers	Furniture & Fixtures	Vehicles	Total	Capital work-in progress
<b>Accumulated depreciation</b>										
As at March 31, 2019	-	14,053,284	14,524,308	49,362,495	122,892,972	153,208,268	63,428,635	7,799,349	431,269,310	-
Depreciation charge during the year	-	4,612,487	3,849,661	10,159,994	57,747,445	40,282,151	25,861,427	3,729,510	146,242,675	-
Disposals / derecognised	-	-	(13,406)	(632,687)	(11,005,922)	(10,478,665)	(1,708,939)	(3,124,362)	(27,163,994)	-
Exchange differences	-	-	-	4,572,894	8,568,075	8,877,349	1,856,237	41,276	23,915,682	-
As at March 31, 2020	-	18,665,771	18,360,561	63,262,696	178,202,580	191,689,004	95,497,340	8,445,722	574,263,674	-
Depreciation charge during the year	-	4,612,375	4,038,820	29,691,219	5,112,643	108,619,575	18,157,426	3,218,769	173,450,838	-
Disposals (due to divestment)	-	-	-	-	(43,549,389)	(15,752,339)	(20,705,374)	(333,584)	(50,330,686)	-
Disposals / derecognised	-	-	-	(5,439,000)	(113,000)	(1,236,623)	(672,329)	-	(7,460,952)	-
Transfer	-	20,000	110,000	22,060,000	(112,520,000)	69,490,000	16,330,000	4,520,000	-	-
Exchange differences	-	-	-	511,921	(42,142)	36,957,813	159,539	(17,147)	37,109,984	-
As at March 31, 2021	-	23,298,147	22,509,381	110,076,886	57,090,693	389,507,430	108,706,603	35,843,760	727,032,847	-
Net carrying amount as at March 31, 2021	302,848,546	246,999,774	170,602,406	160,939,923	36,368,416	140,685,578	71,405,389	23,145,536	1,154,995,562	3,000
Net carrying amount as at March 31, 2020	302,848,546	251,632,150	174,633,014	191,343,076	106,520,138	43,341,900	86,784,214	19,982,455	1,180,085,497	7,329,646





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Note 4 - Intangible assets

Particulars	(Amount in INR)						
	Computer Softwares	Non-Complete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total
Gross block							
As at March 31, 2019	385,234,437	29,655,172	8,352,490	1,416,692	50,071,475	6,027,836	488,764,522
Additions	67,100,000	-	-	353,181	-	-	68,253,181
Impairment loss during the year	-	-	-	-	-	-	-
Disposals / derecognised (Refer Note No-4(a)(i))	(56,384,190)	-	-	-	-	-	(56,384,190)
Transfers	-	-	-	-	-	-	-
Exchange differences	571,671	-	-	-	1,815,813	(60,213)	2,298,572
As at March 31, 2020	397,022,218	29,655,172	8,352,490	2,169,173	51,887,289	5,936,643	505,032,045
Additions	34,951,589	-	-	-	-	3,714,000	38,665,589
Impairment loss during the year	-	-	-	-	-	-	-
Disposals (due to divestment)	(2,179,567)	-	-	-	-	(77,374)	(2,256,941)
Disposals / derecognised	(40,849,030)	-	-	-	-	-	(40,849,030)
Transfers	(30,240,000)	-	-	-	-	10,240,000	-
Exchange differences	(7,546,888)	-	-	-	-	(5,427,367)	(12,974,255)
As at March 31, 2021	356,158,352	29,655,172	8,352,490	2,169,173	51,887,289	34,387,901	470,617,477
							746,466,133
							353,006,421

Particulars	(Amount in INR)						
	Computer Softwares	Non-Complete fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangibles	Total
Accumulated amortisation and impairment							
As at March 31, 2019	196,813,176	22,129,776	6,119,720	103,489	41,420,356	3,410,992	270,118,109
Amortisation charge during the year	94,475,154	6,717,794	1,879,057	746,220	13,326,512	120,534	117,865,372
Disposals / derecognised	(56,489,400)	-	-	-	-	-	(56,489,400)
Exchange differences	3,052,908	-	-	-	1,825,813	1,681,467	6,561,179
As at March 31, 2020	238,251,428	28,847,570	8,018,778	949,710	56,572,681	5,214,993	337,855,360
Amortisation charge during the year	87,168,374	807,504	333,712	756,189	3,331,628	9,476,000	101,868,307
Disposals (due to divestment)	(12,015,053)	-	-	-	-	(77,374)	(12,092,427)
Disposals / derecognised	(40,696,800)	-	-	-	-	-	(40,696,800)
Exchange differences	898,595	-	-	-	-	(8,095,358)	(7,196,763)
As at March 31, 2021	283,454,542	29,655,174	8,352,490	1,706,899	59,904,309	5,911,251	388,984,465
							21,966,038
							173,269,032
Net carrying amount as at March 31, 2021	72,703,310	(2)	333,712	1,219,564	8,121,407	721,649	165,176,225
Net carrying amount as at March 31, 2020	158,776,590	807,504	-	-	-	-	159,584,094





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Note 5 - Non-current investments

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
<b>Investment in equity instruments (fully paid-up)</b>		
<b>Quoted (FVOCI)</b>		
18,234 (P.Y. 18,234) fully paid Equity Shares of Rs. 2 each of Wipro Limited	7,551,610	3,584,805
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 1 each of Vikas WSP Limited	29,750	21,050
800 (P.Y. 800) fully paid Equity Shares of Rs. 5 each of Mahindra and Mahindra Limited	636,200	228,000
8,998 (P.Y. 8,998) fully paid Equity Shares of Rs. 10 each of Coal India Limited	1,172,889	1,259,720
38,767 (P.Y. 38,767) fully paid Equity Shares of Rs. 10 each of Powergrid Corporation	8,360,304	6,363,953
5,000 (P.Y. 5,000) fully paid Equity Shares of Rs. 2 each of Axis Bank Limited	1,487,250	1,896,500
1,800 (P.Y. 1,800) fully paid Equity Shares of Rs. 2 each of Larsen and Toubro Limited	2,554,020	1,452,330
Nil (P.Y. 900) fully paid Equity Shares of Rs. 10 each of Cybertech Limited	-	26,145
35,100 (P.Y. 35,100) fully paid Equity Shares of Rs. 10 each of Global Offshore Services Limited	224,928	91,529
11,000 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Indian Bank Limited	1,277,500	-
3,000 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of SBI Bank	1,092,900	-
130 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of HDFC Bank Limited	194,175	-
5,716 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of SBI Card and Payment Services Limited	5,305,877	-
2,392 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Tata Communications Limited	2,542,218	-
6,192 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Crompton Greaves Consumer Electrical Limited	2,430,360	-
958 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Endurance Technologies Limited	1,394,992	-
25,057 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of IOFC Limited	1,186,449	-
179 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Schaeffler India Limited	874,127	-
3,531 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Birlasoft Limited	893,520	-
810 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of SBI Life Insurance Company Limited	713,489	-
6,826 (P.Y. Nil) fully paid Equity Shares of Rs. 10 each of Equitas Holdings Limited	505,569	-
603 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Max Financial Services Limited	518,248	-
2,404 (P.Y. Nil) fully paid Equity Shares of Rs. 1 each of City Union Bank Limited	374,904	-
1,056 (P.Y. Nil) fully paid Equity Shares of Rs. 2 each of Sterlite Technologies Limited	205,075	-
56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation	804,470	831,758
<b>Investment in debentures - Quoted (at amortised cost)</b>		
130 (P.Y. Nil) Units of Rs. 100,000 each of 9.2% Non Convertible Redeemable Debentures of Edelweiss Finance and Investments Limited	15,052,180	-
<b>Investment in equity instruments (fully paid-up)</b>		
<b>In Joint venture - Unquoted (at cost)</b>		
428,400 (P.Y. 428,400) fully paid equity shares of Cybercom datamatics information solutions limited of Rs. 10 each	31,443,588	27,579,252
<b>In Others (FVOCI)</b>		
4,657 (P.Y. 4,657) fully paid equity shares of Handy Training Technologies Private Limited of Rs. 10 each	15,800,000	15,000,000
<b>Total</b>	<b>106,016,388</b>	<b>108,135,081</b>
Aggregate amount of quoted investments	44,520,220	15,555,779
Aggregate amount of unquoted investments	61,496,168	92,579,252
Aggregate market value of quoted investments	44,520,220	15,555,779

Note 6 - Non-current loans

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
(Unsecured, considered Good, unless specified otherwise)		
Others -		
Loan to employees	266,401	549,670
Loan to Others	-	750,000
<b>Total</b>	<b>266,401</b>	<b>1,299,670</b>

Note 7 - Other non-current financial assets

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Security deposits	126,576,801	141,613,101
Less: Provision for doubtful deposits	9,173,530	6,173,530
Net security deposits	117,403,271	135,439,571
Fixed deposits	-	439,227
Fair value of outstanding forward contracts (FVOCI)	14,825,645	2,722,310
<b>Total</b>	<b>131,428,915</b>	<b>138,601,308</b>



Note 8 - Taxation

8(A) - Income tax expense

Particulars	(Amount in INR)	
	March 31, 2021	March 31, 2020
Current tax:		
Current tax on profits for the year	302,322,695	240,363,944
Adjustments for current tax of prior periods	21,040,380	5,609,434
Total current tax expense	313,363,075	245,973,367
Deferred tax:		
Decrease/(increase) in deferred tax assets	(60,582,213)	14,662,576
Adjustments for deferred tax of prior periods	1,101,908	829,831
Total deferred tax expense/(benefit)	(59,480,305)	15,492,407
Income tax expense	253,882,770	261,465,774

8(B) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rate

Particulars	(Amount in INR)	
	March 31, 2021	March 31, 2020
Profit for the year	1,091,475,179	877,594,885
Tax expense at applicable tax rate	204,757,680	204,718,449
Effects of:		
Items not deductible for tax	1,924,479	14,464,529
Tax holding and exempt income	(46,006,392)	(17,286,725)
Impairment of goodwill and other assets	-	33,321,822
Recognition of unutilized tax benefits / Unrecognized losses utilized	5,900,824	(8,678,332)
Change in tax base	(10,648,941)	(10,362,872)
Undistributed Earnings	(13,426,758)	(17,259,342)
Income taxed at higher / (lower) rates	(1,556,237)	(1,541,427)
Change in tax rate and law	-	26,094,294
Adjustments for tax of prior periods	11,142,788	6,439,254
Others, net	13,099,066	32,364,183
Income tax expense	263,788,770	263,765,774

8(C) - Deferred tax assets

The balance comprises temporary differences attributable to:

Particulars	(Amount in INR)			
	March 31, 2021	Recognized in income statement	Recognized in OCI	Other (Recognized in Equity, FCTR, BS etc.)
<b>Deferred Tax Assets</b>				
Employee Benefits	84,088,882	35,880,113	1,725,953	(16,519,202)
Provision for doubtful debts	44,060,185	(34,083,389)	-	-
Investment in Subsidiaries	(19,119,844)	-	-	19,119,844
MAT Credit	493,300	-	-	(493,300)
Net Operating Losses	21,825,648	36,368,929	-	(3,868,517)
Others	23,229,318	(22,045,768)	-	(46,122)
<b>Total Deferred Tax Assets</b>	<b>154,157,489</b>	<b>16,121,985</b>	<b>1,725,953</b>	<b>90,444</b>
<b>Deferred Tax liabilities</b>				
Depreciation	34,703,717	(41,523,796)	-	2,111,257
Unrealized gain on securities carried at fair value through profit or loss / other comprehensive income	778,524	827,326	373,562	(25,146)
Cash Flow Hedging	(19,142,055)	-	28,267,954	776,939
Undistributed Earnings	87,505,882	(33,426,758)	-	(74,979,325)
Others	-	10,665,106	-	-
<b>Total Deferred Tax Liabilities</b>	<b>103,844,838</b>	<b>(43,458,322)</b>	<b>29,043,516</b>	<b>(73,236,074)</b>
<b>Net Deferred Tax</b>	<b>50,312,651</b>	<b>59,580,306</b>	<b>(27,317,563)</b>	<b>71,306,518</b>
<b>March 31, 2020</b>				
<b>Deferred Tax Assets</b>				
Employee Benefits	87,680,441	(33,759,868)	10,772,752	(584,508)
Provision for doubtful debts	71,844,121	(25,770,493)	-	(2,915,444)
Investment in Subsidiaries	(19,119,844)	(2,045,277)	-	(19,119,844)
MAT Credit	493,300	(4,310,808)	-	(889,398)
Net Operating Losses	21,825,648	31,171,215	-	(365,783)
Others	23,229,318	686,718	-	1,894,674
<b>Total Deferred Tax Assets</b>	<b>154,157,489</b>	<b>(34,068,509)</b>	<b>10,772,752</b>	<b>(23,188,902)</b>
<b>Deferred Tax liabilities</b>				
Depreciation	34,703,717	5,802,787	-	242,284
Unrealized gain on securities carried at fair value through profit or loss / other comprehensive income	778,524	(4,718,267)	(268,210)	98,128
Cash Flow Hedging	(19,142,055)	-	(57,245,148)	(1,906,591)
Undistributed Earnings	87,505,882	(17,640,754)	-	6,742,136
Others	-	132	-	(24,189)
<b>Total Deferred Tax Liabilities</b>	<b>103,844,838</b>	<b>(16,576,101)</b>	<b>(57,483,406)</b>	<b>5,743,970</b>
<b>Net Deferred Tax</b>	<b>50,312,651</b>	<b>(15,492,407)</b>	<b>68,256,158</b>	<b>(28,932,872)</b>

Note:

The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, Equity, MAT credit creation/utilisation during the period and foreign currency translation.



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Note 8 - Deferred Tax Assets (Net)

(Amount in INR)		
Particulars	March 31, 2021	March 31, 2020
Deferred Tax Assets	153,884,315	50,313,052
<b>Total</b>	<b>153,884,315</b>	<b>50,313,052</b>

Note 9 - Non-current tax assets (Net)

Particulars	March 31, 2021	March 31, 2020
Advance Tax & TDS (net of provision)	137,332,782	163,436,169
<b>Total</b>	<b>137,332,782</b>	<b>163,436,169</b>

Note 10 - Other non-current assets

(Amount in INR)		
Particulars	March 31, 2021	March 31, 2020
Capital advances	97,715	141,800
Other advances	-	-
Prepaid expenses	6,250,802	3,951,276
Balance with govt authorities	47,000	47,000
Other assets	428,828	436,823
<b>Total</b>	<b>6,824,445</b>	<b>4,559,899</b>

Note 11 - Current investments

(Amount in INR)		
Particulars	March 31, 2021	March 31, 2020
Investment in mutual funds		
Quoted (at FV/PL)		
5,015 (P.Y. Nil) units of Kotak Money Market Fund	20,160,413	-
6,880 (P.Y. Nil) units of Kotak Corporate Bond Fund Growth	19,955,800	-
19,44,995 (P.Y. Nil) units of Nippon India Floating Rate Fund	69,996,500	-
8,17,663 (P.Y. Nil) units of Aditya Birla SL Liquid Fund - Growth	269,263,953	-
3,22,791 (P.Y. Nil) units of ABSL Saving Fund	136,445,710	-
74,21,234 (P.Y. Nil) units of ICICI Ultra Short Term Fund	160,048,122	-
14,95,360 (P.Y. Nil) units of ICICI Corporate Bond Fund DP Growth	35,149,241	-
3,09,635 (P.Y. Nil) units of ICICI Short Term Fund DP Growth	15,053,429	-
2,57,471 (P.Y. Nil) units of ICICI All Seasons Bond Fund DP Growth	7,533,854	-
2,73,042 (P.Y. Nil) units of IDFC Dynamic Bond Fund Growth	7,345,418	-
7,48,934 (P.Y. Nil) units of Axis Short Term Direct Plan Growth	19,022,889	-
2,51,041 (P.Y. Nil) units of Axis Short Term Regular Growth	5,997,919	-
1,89,129 (P.Y. Nil) units of ABSL Floating Rate Fund - Reg - Growth	90,300,877	-
1,09,049 (P.Y. Nil) units of ICICI Prudential Liquid Fund - Direct Plan - Growth	33,231,280	-
3,482 (P.Y. Nil) units of Kotak Liquid - Direct Plan - Growth	14,482,466	-
35,251 (P.Y. Nil) units of ICICI Money Market Fund	10,331,217	-
38,729 (P.Y. Nil) units of HDFC Money Market Fund	87,757,528	-
27,368 (P.Y. Nil) units of HDFC Overnight Fund Regular Plan Growth	83,208,800	-
73,163 (P.Y. 11,411) units of Kotak Overnight Fund Growth Option	80,196,800	12,158,228
5,507 (22) units of HDFC Liquid Funds- Daily Dividend	5,616,490	22,540
79,218 (P.Y. 2,86,636) units of Aditya Birla SL Money Manager Fund - Growth	22,573,839	9,310,251
3,465 (P.Y. 3,848) units of Nippon India Liquid Fund-Growth Plan - Growth Option	17,438,552	92,531,888
1,44,018 (P.Y. Nil) units of Nippon India Arbitrage Fund-Direct Growth Plan Growth Option	3,143,485	-
298,051 (P.Y. 1,75,039) units of ICICI Prudential Liquid Fund - Growth	-	3,944,564
24,130 (P.Y. 39,140) units of Reliance Liquid fund - TP - Growth	-	41,592,476
7,118,577 (P.Y. Nil) units of Franklin India Ultra Short Bond Fund - SIP - Daily Dividend	-	92,195,659
Nil (P.Y. 3) units of Motilal Oswal Home Finance Limited	-	3,193,343
Investment in fixed deposits		
Unquoted (at Cost)		
Corporate Fixed Deposits	290,000,800	-
<b>Total</b>	<b>1,458,251,382</b>	<b>254,946,950</b>
Aggregate amount of quoted investments	1,169,251,382	254,946,950
Aggregate amount of unquoted investments	290,000,800	-
Aggregate market value of quoted investments	1,169,251,382	254,946,950





**DELTA INSOLUTIONS PRIVATE LIMITED**  
Consolidated Financial statements as at March 31, 2021

Statement of changes in equity for the year ended March 31, 2021

A. Equity share capital	
Particulars	(Amount in Rs)
As at March 31, 2019	111,000
Changes in equity share capital	
As at March 31, 2020	110,000
Changes in equity share capital	
As at March 31, 2021	110,000

**B. Other equity**

	Reserves	Securities premium	Retained earnings	SSOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve	Equity attributable to shareholders of the Company	Attributable to non-controlling interests	Total other equity
As at March 31, 2019	1,200,262,863	-	349,753,124	11,693,032	546,892,176	807,220,685	744,211,245	8,473,631	(4,760,140)	108,495,101	325,521,090	3,778,963,665	5,339,393,844	7,118,345,985
Profit for the year	349,753,124	-	(94,477,176)	-	-	-	-	-	-	-	-	346,755,224	285,915,191	632,731,188
Adjustment for R/O as 31st	-	-	30,953,171	-	-	-	-	-	-	-	-	(59,327,176)	-	(28,374,005)
Non controlling interest	-	-	-	-	-	(725,753,311)	-	-	-	-	-	30,953,171	(30,953,171)	-
Dividend of 10% on equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Foreign exchange impact on R/O	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Additional share purchased of subsidiary from M	-	-	-	-	-	23,195,936	-	-	-	-	-	23,195,936	(23,195,936)	-
SSOP revaluation	-	-	-	(5,334,511)	-	-	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	168,831,141	-	-	-	-	(1,314,376)	(46,784,140)	(1,06,443,114)	1,30,565,571	(5,334,511)	(14,162,418)	(5,234,510)
Dividends paid (including term)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	1,449,195,482	-	349,753,124	5,358,521	546,892,176	534,441,144	266,211,245	1,311,055	91,024,309	117,953,621	466,822,660	3,740,022,520	5,344,293,298	7,084,315,821
Profit for the year	432,813,213	-	(183,646,124)	-	-	-	-	-	-	-	(12,123,234,477)	(405,909,998)	(67,714,604)	(19,071,424,892)
Base of subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non share premium	-	2,001,250	-	-	-	-	-	-	-	-	-	2,001,250	1,862,343	4,091,398
Change in non controlling interest	-	-	30,083,028	-	-	-	-	-	97,547	-	284,444	10,879,859	31,489,002	45,954,081
Foreign exchange impact on R/O	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SSOP revaluation	-	-	-	(5,434,031)	-	-	-	-	-	-	-	(6,816,440)	(6,018,627)	(16,028,622)
SSOP expenses	-	-	1,038,071	3,095,479	-	-	-	-	-	-	-	3,095,479	2,501,368	5,600,847
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2021	1,882,008,695	-	349,753,124	3,095,479	546,892,176	534,441,144	266,211,245	4,647,115	198,568,435	117,953,621	354,177,465	3,902,221,648	3,254,062,541	7,156,283,191

The accompanying notes forming an integral part of the financial statements

As per our attached report of our date

For Kuru Doshi Associates LLP

Chartered Accountants

Firm Registration No. 334/2004/W/100094



Kuru Doshi Associates LLP

Partner

Membership No. 334/2004/W/100094

Place: Mumbai

Dated:

For and on behalf of the Board

Dr. Raj S. Kanodia

Chairman

Dr. Raj S. Kanodia

Director

Dr. Raj S. Kanodia

Director

Dr. Raj S. Kanodia

Director

**DELTA INFO SOLUTIONS PRIVATE LIMITED**  
**Consolidated Financial Statements as at March 31, 2021**

**Note 12 - Trade receivables**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Unsecured		
Considered Good (Refer Note No 39)	1,862,241,052	1,808,866,694
Less - Allowance for expected credit loss	27,221,651	84,357,970
	<u>1,835,019,400</u>	<u>1,724,508,725</u>
Credit impaired	133,726,448	120,957,863
Less - Allowance for expected credit loss (Refer Note No 39)	<u>133,726,448</u>	<u>120,957,863</u>
<b>Total</b>	<b>1,835,019,400</b>	<b>2,724,508,725</b>

Trade receivable includes receivable from related parties (Refer Note No. 45).

**Note 13 - Cash and cash equivalents**

Particulars	March 31, 2021	March 31, 2020
Balances with Bank		
- in current accounts	909,628,801	1,665,753,209
- in deposit accounts	80,000,000	278,600,000
Cash on hand	3,930,346	7,135,130
<b>Total</b>	<b>993,559,147</b>	<b>1,951,488,339</b>

**Note 14 - Other bank balances**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Margin money deposits*	37,787,571	37,195,095
Balances with bank in deposit accounts	95,000,000	106,000
Unpaid dividend**	1,522,767	1,766,383
<b>Total</b>	<b>134,310,337</b>	<b>39,065,478</b>

\* Of the above Rs. 37.79 million (As at March 31, 2020: Rs. 37.20 million) are marked as lien for guarantees issued by banks on behalf of the Company.

\*\* The Group can utilize balances only towards settlement of the unpaid dividend.

**Note 15 - Current loans**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
(Unsecured, Considered Good, unless specified otherwise)		
Others-		
Loan to employees	4,654,547	5,965,469
Loan to Others -	-	5,000,000
<b>Total</b>	<b>4,654,547</b>	<b>10,965,469</b>

**Note 16 - Other current financial assets**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Security deposits	5,035,921	14,564,895
Less: Provision for doubtful deposits - current	<u>2,496,690</u>	<u>2,496,690</u>
Net Security deposits	2,539,231	12,068,205
Advances to related parties	4,186,142	5,527,303
Others-		
Interest accrued	6,666,452	1,835,462
Fair Value of Outstanding Forward Contracts (FVOCI)	50,942,418	27,002,205
Unbilled Revenue	852,224,397	721,698,709
Other financial assets	677,331,987	11,343
<b>Total</b>	<b>1,593,890,626</b>	<b>770,143,027</b>

**Note 17 - Current tax assets (Net)**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Advance Tax & TDS (net of provision)	75,318,760	49,493,130
<b>Total</b>	<b>75,318,760</b>	<b>49,493,130</b>

**Note 18 - Other current assets**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Advance to Vendors	37,394,509	60,907,817
Reimbursable Custom Duty	1,599,460	802,210
Advance to staff	6,702,950	21,924,318
Balance with govt authorities	124,677,834	111,788,609
Prepaid expenses	147,753,612	150,092,272
Other assets	2,898,774	6,154,783
<b>Total</b>	<b>321,027,139</b>	<b>351,710,009</b>



**Note 13 - Share capital and other equity**

**28(a) - Equity share capital**

**(i) Authorized equity share capital**

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	600,000	600,000
Increase during the year	-	-
As at March 31, 2020	600,000	600,000
Increase during the year	-	-
As at March 31, 2021	600,000	600,000

**Authorized redeemable preference share capital**

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	650,000	650,000
Increase during the year	-	-
As at March 31, 2020	650,000	650,000
Increase during the year	-	-
As at March 31, 2021	650,000	650,000

**Issued, Subscribed and Paid up equity share capital**

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	120,000	120,000
Increase during the year	-	-
As at March 31, 2020	120,000	120,000
Increase during the year	-	-
As at March 31, 2021	120,000	120,000

**(ii) Movements in equity share capital**

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	120,000	120,000
Issued during the year	-	-
As at March 31, 2020	120,000	120,000
Issued during the year	-	-
As at March 31, 2021	120,000	120,000

**(iii) Details of shareholders holding more than 5% shares in the Company**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Lall S. Kinsola	40,000	33.33%	40,000	33.33%
Mr. Sameer L. Kinsola	40,000	33.33%	40,000	33.33%
Vikant Trust	40,000	33.33%	40,000	33.33%

**28(b) - Other Equity**

Particulars		(Amount in INR)	
		As at March 31, 2021	As at March 31, 2020
Securities premium reserve	Refer Note (i) below	2,200,250	-
Retained earnings		1,680,427,883	1,430,195,452
ESOP reserve	Refer Note (ii) below	9,884,618	9,884,611
General reserve	Refer Note (iii) below	586,892,376	586,892,376
Capital reserve	Refer Note (iv) below	9,94,681,164	9,94,681,164
Capital redemption reserve	Refer Note (v) below	744,281,246	744,281,246
OCI -			
Equity investments	Refer Note (vi) below	9,860,209	1,810,055
Actuarial gains and losses		(43,763,403)	(41,024,309)
Cash flow hedging reserve	Refer Note (vii) below	25,109,285	(17,953,827)
Foreign currency translation reserve	Refer Note (viii) below	854,172,556	886,825,660
<b>Total</b>		<b>1,969,221,848</b>	<b>1,740,022,528</b>

**Nature of reserves**

**(i) Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilized in accordance with the provision of the Companies Act, 2013.

**(ii) ESOP Reserve**

ESOP reserve is created for issue of share capital under ESOP plan.

**(iii) General Reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is out of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

**(iv) Capital Reserve**

Capital reserve created on the merger of one of the subsidiaries with the company. Also Goodwill on common control transaction is adjusted against capital reserve.

**(v) Capital Redemption Reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

**(vi) OCI - Equity Investments**

The company designates associated and related gain on equity shares in PVOI - Equity Investments.

**(vii) OCI - Cash Flow Hedging Reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognized and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

**(viii) OCI - Foreign currency translation reserve**

The exchange difference arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.





Note 20 - Lease liabilities (Non-current)			(Amount in INR)
Particulars	March 31, 2021	March 31, 2020	
Lease Liabilities	105,004,585	109,443,132	
<b>Total</b>	<b>105,004,585</b>	<b>109,443,132</b>	

Note 21 - Other financial liabilities (Non-current)			(Amount in INR)
Particulars	March 31, 2021	March 31, 2020	
Creditor for capital expenditure	605,546	522,343	
Fair Value of Outstanding Forward Contracts (FVOCI)	5,137,722	51,723,604	
<b>Total</b>	<b>5,743,268</b>	<b>52,245,946</b>	

Note 22 - Provisions (Non-current)			(Amount in INR)
Particulars	March 31, 2021	March 31, 2020	
Unfunded (Refer Note No 51)			
Provisions for employee benefits			
Gratuity	183,388,771	196,523,947	
Leave Encashment	83,760,098	81,964,435	
<b>Total</b>	<b>272,148,869</b>	<b>278,488,382</b>	

Note 23 - Current borrowings			(Amount in INR)
Particulars	March 31, 2021	March 31, 2020	
(Secured)			
Working capital loan*			
From Banks	-	964,644,541	
From Others	-	-	
<b>Total</b>	<b>-</b>	<b>964,644,541</b>	

\*Notes-

Working capital loans from Standard Chartered Bank, ICICI Bank, Silicon Valley Bank USA and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Installments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the company hence considered as current borrowings.

Note 24 - Trade payables			(Amount in INR)
Particulars	March 31, 2021	March 31, 2020	
Dues of Micro and small enterprises	7,884,500	5,630,054	
Dues other than Micro and small enterprises	887,640,873	891,690,705	
<b>Total</b>	<b>895,525,373</b>	<b>897,320,759</b>	

Micro and Small enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

			(Amount in INR)
Particulars	March 31, 2021	March 31, 2020	
(a) Dues remaining unpaid			
- Principal	-	-	
- Interest on above*	-	5,001	
(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*	-	-	

\* The Group has not provided any interest on the amount outstanding beyond stipulated period in the previous year





DELTA INFOSOLUTIONS PRIVATE LIMITED  
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**Note 25 - Other financial liabilities (Current)**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Fair Value of contingent consideration	-	22,173,378
Fair Value of Outstanding Forward Contracts (FVOC)	18,379,054	48,865,366
Interest Accrued but not due	-	980,533
Payable to related parties	2,376,477	2,526,169
Deposits received	14,547,195	14,844,103
Unclaimed Dividend	1,522,767	1,766,382
Other payables	6,763,430	6,579,394
<b>Total</b>	<b>43,588,922</b>	<b>97,735,324</b>

**Note 26 - Lease liabilities (Current)**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Lease Liabilities	95,683,863	109,109,210
<b>Total</b>	<b>95,683,863</b>	<b>109,109,210</b>

**Note 27 - Provisions (Current)**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Unfunded (Refer Note No 51)		
Provisions for employee benefits		
Gratuity	34,393,936	24,909,726
Leave Encashment	56,546,919	43,550,721
<b>Total</b>	<b>90,940,875</b>	<b>68,460,447</b>

**Note 28 - Current tax liabilities (Net)**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Advance Tax & TDS (net of provision)	27,593,202	15,217,675
<b>Total</b>	<b>27,593,202</b>	<b>15,217,675</b>

**Note 29 - Other current liabilities**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Statutory dues (net)	142,635,445	196,978,563
Advance from customers	181,467,456	87,998,299
Unearned Revenue	64,321,112	144,075,428
<b>Total</b>	<b>394,552,957</b>	<b>431,137,596</b>



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**Note 30 - Revenue from operations** (Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Sale of Product	134,831,356	214,904,113
Sale of Services	11,355,694,088	11,818,139,167
<b>Total</b>	<b>11,490,525,444</b>	<b>12,033,243,280</b>

**Note 31 - Other income** (Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Interest from Bank	5,870,257	2,824,876
Interest on Income Tax		
Interest Others	20,140,553	1,189,029
Dividend on share investment	759,076	4,012,196
Profit on sale of investments	21,040,583	26,632,943
Profit on sale of assets (Net)	1,165,311	815,225
Sundry balances written back	9,685,746	10,115,745
Unrealised gain on fair value of financial assets	6,416,834	(11,656,489)
Exchange gain (net)	21,037,999	152,632,856
Miscellaneous receipts	21,409,732	18,834,551
<b>Total</b>	<b>107,526,087</b>	<b>205,400,931</b>

**Note 32 - Purchase of products and licenses** (Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Purchase of IT Products and Licenses	105,093,859	169,840,094
<b>Total</b>	<b>105,093,859</b>	<b>169,840,094</b>

**Note 33 - Employee benefit expenses** (Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Basic Salary, Wages & Allowances	7,292,719,302	7,233,030,805
Contribution towards provident & Other funds	298,561,292	291,400,537
Share based compensation (Refer Note No 51)	(4,233,895)	-
Staff Welfare	120,818,271	226,271,780
<b>Total</b>	<b>7,707,864,970</b>	<b>7,750,703,122</b>

**Note 34 - Finance costs** (Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Interest on loan from banks	25,624,191	20,163,061
Interest on lease liabilities	(1,577,678)	13,811,176
Interest on loan others	2,634,238	3,698,415
Other finance charges	5,762,059	8,489,370
<b>Total</b>	<b>32,442,810</b>	<b>46,162,022</b>

**Note 35 - Depreciation and Amortisation Expenses** (Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Depreciation on property plant and equipment	173,450,828	146,142,575
Depreciation on leased assets	119,488,911	105,061,342
Amortisation on intangible assets	101,868,307	117,665,372
<b>Total</b>	<b>394,808,046</b>	<b>369,869,388</b>



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## Note 36 - Other expenses

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
IT Infrastructure & Development Cost	167,583,453	109,499,370
Technical fees	496,317,320	631,564,518
Outsourcing cost	399,785,673	533,841,453
Vendor charges	42,727,886	45,606,839
Travelling expenses	57,763,971	314,190,182
Recruitment charges	42,012,943	61,651,453
Rent (Refer Note 46)	94,229,577	155,696,660
Electricity expenses	80,852,224	133,452,774
Communication charges	120,943,126	100,291,091
Rates & Taxes	23,471,206	35,503,922
Water charges	803,100	2,620,438
Legal & Professional expenses	177,128,232	197,381,909
Auditor's Remuneration (Refer Note 47)	11,135,206	11,540,321
Link Charges	40,482,776	45,499,786
Insurance	29,836,655	31,619,298
Vehicle expenses	2,630,916	27,584,809
Repairs & Maintenance expenses	90,284,395	95,093,957
Software Maintenance expenses	72,057,962	56,873,379
Hire charges	62,475,195	29,803,923
Printing & Stationery	20,134,417	32,661,946
Subscription expenses	30,068,210	38,289,404
Entertainment Expenses	3,212,850	6,839,215
Bank Charges	14,495,387	13,753,089
Board Sitting Fees	1,575,000	1,070,000
Loss on sale of subsidiary	-	4,852,150
Sales Promotion	51,465,838	49,871,789
Security Charges	29,453,433	31,043,636
Bad Debts Written off	89,871,356	84,024,854
less: Provision for doubtful debts written back	(49,856,404)	(74,692,046)
Allowance for Doubtful Debts	27,277,329	36,132,338
Provision for doubtful deposit	3,000,000	-
CSR Expenditure	10,709,041	20,674,916
Miscellaneous expenses	14,369,234	14,348,890
<b>Total</b>	<b>2,256,297,555</b>	<b>2,878,186,265</b>

## Note 37 - Exceptional items

(Amount in INR)

Particulars	Note	March 31, 2021	March 31, 2020
Profit on Sale of Investment	(1)	36,498,690	-
Impairment of goodwill and other assets	(2)	(365,892,731)	(157,722,963)
Exchange gain on sale of financial assets	(3)	315,960,187	-
<b>Total</b>		<b>(11,433,854)</b>	<b>(157,722,963)</b>

## Note:

1. The group recorded the profit of Rs. 36,498,690 relating to sale of investments of Cignex Datamatics Corporation BVI, a subsidiary to third party.

2. (a) The group performed the impairment assessment of Vista, a business segment of the group, and basis that goodwill amounting to Rs. 99,236,521 was impaired.

(b) As a result of change in market condition, Lumina Datamatics Inc performed an impairment assessment for assets forming part of investment in subsidiary i.e. Lumina Datamatics Analytics and Assessment Limited (LDAA) and Lumina Datamatics GmbH (LDGmbH). The recoverable amount of these assets were estimated to be lower than their carrying value and this resulted in an impairment of Rs. 88,956,000 and Rs. 177,700,210 in LDAA and LDGmbH respectively, during the year ended March 31, 2021.

3. The group recorded the exchange gain of Rs. 121,535,000 and Rs. 194,425,187 relating to the redemption of preference share of Datamatics Global Technologies Limited, a subsidiary and buyback of shares of Lumina Datamatics Inc, a subsidiary.





Note 36: Fair value measurements

Financial instruments by category

(Amount in ₹)

	March 31, 2021			March 31, 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
- Mutual funds	1,189,251,382	-	-	254,948,950	-	-
- Fixed Deposits	-	-	280,000,800	-	-	-
- Debentures	-	-	15,052,180	-	-	-
- Equity instruments	-	59,520,221	-	-	10,555,779	-
Trade receivables	-	-	1,825,019,400	-	-	2,728,538,325
Cash and cash equivalents	-	-	993,559,347	-	-	1,951,488,323
Bank balances other than cash and cash equivalents	-	-	134,310,329	-	-	16,965,424
Security deposit	-	-	119,942,502	-	-	147,507,778
Fair value of outstanding forward contracts	-	64,968,062	-	-	29,724,515	-
Loan to employees	-	-	4,920,549	-	-	6,313,240
Unbilled Revenue	-	-	85,226,397	-	-	122,698,785
Other receivables	-	-	688,184,581	-	-	14,593,575
<b>Total financial assets</b>	<b>1,189,251,382</b>	<b>124,488,283</b>	<b>4,988,213,492</b>	<b>254,948,950</b>	<b>60,280,294</b>	<b>5,406,527,449</b>
<b>Financial liabilities</b>						
Borrowings	-	-	-	-	-	964,645,541
Trade payables	-	-	895,525,373	-	-	497,320,759
Fair Value of Outstanding Forward Contracts	-	23,516,776	-	-	100,588,970	-
Fair Value of contingent consideration	-	-	-	11,173,378	-	-
Other liabilities	-	-	200,688,445	-	-	218,552,342
Other payables	-	-	25,815,418	-	-	27,218,603
<b>Total financial liabilities</b>	<b>-</b>	<b>23,516,776</b>	<b>1,122,029,235</b>	<b>22,173,378</b>	<b>100,588,970</b>	<b>1,107,736,565</b>

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

(Amount in ₹)

Financial assets and liabilities measured at fair value At 31 March 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Financial investments at FVPL				
Mutual funds	1,189,251,382	-	-	1,189,251,382
Financial investments at FVOCI				
Fair value of outstanding forward contracts	64,968,062	-	-	64,968,062
Equity instruments	59,520,221	-	15,000,000	59,520,221
<b>Total financial assets</b>	<b>1,278,739,665</b>	<b>-</b>	<b>15,000,000</b>	<b>1,293,739,665</b>
<b>Financial liabilities</b>				
Fair Value of Outstanding Forward Contracts	23,516,776	-	-	23,516,776
<b>Total financial liabilities</b>	<b>23,516,776</b>	<b>-</b>	<b>-</b>	<b>23,516,776</b>
<b>Financial assets and liabilities measured at fair value At 31 March 2020</b>				
<b>Financial assets</b>				
Financial investments at FVPL				
Mutual funds	254,948,950	-	-	254,948,950
Financial investments at FVOCI				
Fair value of outstanding forward contracts	29,724,515	-	-	29,724,515
Equity instruments	10,555,779	-	15,000,000	10,555,779
<b>Total financial assets</b>	<b>300,227,244</b>	<b>-</b>	<b>15,000,000</b>	<b>315,227,244</b>
<b>Financial liabilities</b>				
Fair Value of Outstanding Forward Contracts	100,588,970	-	-	100,588,970
Fair value of contingent consideration	-	-	22,173,378	22,173,378
<b>Total financial liabilities</b>	<b>100,588,970</b>	<b>-</b>	<b>22,173,378</b>	<b>122,762,348</b>

There are no transfers between levels 1 and 2 during the year.

Appreciation of level 3 fair value measurement is as follows:

(Amount in ₹)

Particulars	Amount
Balance as on March 31, 2019	15,000,000
Change in the value	-
Balance as on March 31, 2020	15,000,000
Change in the value	-
Balance as on March 31, 2021	15,000,000

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 35: Financial risk management**

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit.
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts.	Availability of committed credit lines and borrowing facilities.
Market risk – foreign exchange	Import Payables and Receivables	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk 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.

**A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

**Credit risk management:**

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entry / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is the carrying value of such trade receivables as shown in note 12 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	Amount in Rs.
Loss allowance on 31 March 2019	256,708,542
Changes in loss allowance	23,259,336
Bad debts write off	(74,662,040)
Loss allowance on 31 March 2020	205,325,832
Changes in loss allowance	5,488,671
Bad debts write off	(43,806,404)
Loss allowance on 31 March 2021	166,948,099

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**C) Market risk**

**i) Foreign currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.



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**Notes forming part of the financial statements**

**a) Foreign currency risk exposure:**

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2021 and March 31, 2020 are given below:

Particulars	Currency	March 31, 2021		March 31, 2020	
		Foreign Currency	Amount in INR	Foreign Currency	Amount in INR
Receivables	USD	9,529,609	687,126,027	9,312,487	719,048,923
	GBP	592,367	59,662,865	2,096,647	196,371,955
	EUR	619,815	52,666,714	846,060	70,502,176
	CHF	211,501	16,367,108	435,159	34,232,411
	AUD	58,773	3,263,318	582,081	26,936,658
	AED	17,159	341,463	64,735	1,932,249
Payables	CAD	131,283	7,755,296	30,797	1,656,263
	SEK	41,000	343,990	53,431	405,004
	USD	481,328	31,584,357	151,365	11,441,749
	EUR	51,909	4,622,175	-	-
	CHF	105,579	8,180,261	343,543	11,284,618
	GBP	126,608	12,751,923	200	18,732
	AUD	-	-	4,024	186,896
	SGD	696	37,971	698	37,134

**b) Sensitivity**

The Group is mainly exposed to changes in USD, GBP, CHF, AUD and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and EUR exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease) (increase in Profit & vice versa):

Particulars	(Amount in INR)	
	March 31, 2021	March 31, 2020
USD	13,179,484	55,388,355
GBP	2,345,547	9,817,661
EUR	2,402,227	1,521,109
CHF	410,342	1,147,380
AUD	163,166	1,397,590

\* Holding all other variables constant

**ii) Cash flow and fair value interest rate risk**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2021 and March 31, 2020, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**a) Interest rate risk exposure:**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Amount in INR)	
	March 31, 2021	March 31, 2020
Variable rate borrowings	-	477,144,541
Fixed rate borrowings	-	487,500,000
Total borrowings	-	964,644,541

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

	March 31, 2021			March 31, 2020		
	Weighted average interest rate %	Balance (Amount in INR)	% of total loans	Weighted average interest rate %	Balance (Amount in INR)	% of total loans
Working Capital Demand Loan	-	-	-	4.38%	477,144,541	49.45%

**b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

	(Amount in INR)	
	March 31, 2021	March 31, 2020
Interest rates – increase by 70 basis points (70 bps) *	-	(3,340,012)
Interest rates – decrease by 70 basis points (70 bps) *	-	3,340,012

\* Holding all other variables constant

**iii) Price risk**

**a) Exposure**

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either at fair value through OO or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are publicly traded.





**Note 40: Capital management**

**Risk management**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturities of non current borrowings.

	(Amount in INR)	
	March 31, 2021	March 31, 2020
Borrowings	-	964,644,541
Total equity	7,156,403,293	7,084,435,826
Borrowing to equity ratio	-	0.14

**Note 41: Segment information**

**Description of segments and principal activities**

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.

The Group organised itself into two business units, which form the operating segments for segment reporting.

The operating segments are:

- IT Services
- Business Process Management (BPM)

Particulars	31-Mar-21			March 31, 2020		
	IT	BPM	Total	IT	BPM	Total
Revenue	3,871,337,355	5,617,188,089	11,490,525,444	7,099,813,535	4,935,829,743	12,035,243,280
Identifiable expenses	3,468,462,777	4,601,847,982	10,088,116,258	6,311,356,433	4,487,173,949	10,798,729,481
Segment results	406,866,579	1,015,340,607	1,422,409,186	788,457,302	448,655,696	1,234,513,798
Unallocable expenses			428,390,982			416,151,410
Share in profit of JV			4,364,736			12,054,530
Exceptional item			(13,433,854)			(157,722,963)
Other income			107,526,087			205,400,551
Profit before taxes			1,092,475,173			877,994,899
Tax expenses			253,783,770			261,269,774
Profit after tax			838,691,403			616,725,125

**Segment Assets and Liabilities**

The assets and liabilities used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

**Geographic Segment**

Revenue attributable to the location of the customer is as follows:

Geographic Location	(Amount in INR)	
	March 31, 2021	March 31, 2020
USA	6,623,768,367	6,945,301,259
Europe	1,858,403,436	1,912,150,000
Rest of World	3,008,353,641	3,175,792,021
Total	11,490,525,444	12,035,243,280

**Note 42: Business Combination**

- (i) The Group has entered into a stock redemption agreement to dispose off the entire stake in one of the subsidiaries "Cignex Dataanalytics Inc" (Cignex). As a result, w.e.f. January 01, 2021, Group's control over Cignex and its subsidiaries has shifted and they have ceased to be a subsidiary and step down subsidiaries. The sale consideration was Rs. 1,145,130,000 and the group recorded the profit of Rs. 36,098,690.

- (ii) During the previous year, The Delta Infosolutions Private Limited ("DIP") is part of a Composite Scheme of Arrangement ("Scheme") between DIP, Dataanalytics Infosolutions Private Limited ("DIPIL") and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on April 27, 2018. The scheme has the appointed date of April 1, 2019.

The scheme inter alia provides for:

- a) Demerger of demerged undertaking (as defined under the Scheme) of DIP into DIPIL in accordance with Section 2(19AA) of the Income-tax Act, 1961.

Non-strategic Undertaking of Delta	(Amount in INR)	
	Amount	
Investment in Securities	147,119,610	
DTA Towards MAT Credit	7,812,791	
Other Assets	140,107,603	
Less: Liabilities	-	
Net Assets in the Demerged Undertaking	295,140,385	
Less: Consideration issued upon demerger	120,000	
Less: Reserves pertaining to Demerged Undertaking	-	
	295,140,385	
Add: Capital Reduction of existing share capital as on effective date	154,926	
Capital Reserve created upon Demerger in the books of DIPIL	295,755,311	
Net Assets transferred	295,755,311	
Less: Reserves pertaining to Demerged Undertaking	-	
Capital Reserve created upon Demerger in the books of Delta	295,755,311	



**(ii) Merger of Datamatics Digital Limited (DDL) with holding company**

The Company had acquired earlier stake in Datamatics Digital Limited (formerly known as Techjet Solutions Private Limited) ("DDL") in various tranches and owned 81.08% stake in DDL as on 1 April 2019. Thereafter, the Company had acquired the balance 18.91% stake on 24 May 2019, thereby making DDL a wholly owned subsidiary of the Company. Thereafter, vide Board Meeting dated 13 November 2019, the Company had approved the amalgamation of DDL with itself through a Scheme of Arrangement u/s 210-232 of the Companies Act, 2013 ("Scheme") with an Appointed Date of 1 June 2019.

Since DDL is a wholly owned subsidiary of the Company, no further shares would be required to be issued by the Company to the shareholders of DDL since the entire share capital of DDL is held by the Company. Further, since this Scheme provides for amalgamation of a wholly owned subsidiary with its 100% holding company, the requirement of obtaining a No Objection letter from the stock exchanges and SEBI under SEBI Circular dated 10 March 2017 was also not applicable. However, for the purposes of disclosure, the Company had filed a copy of the board resolution and draft Scheme with the stock exchanges.

Subsequent to the above, the Company had filed an application (CA (DAA) No. 3749 of 2019) with the National Company Law Tribunal, Mumbai Bench ("NCLT") for seeking dispensation for convening meeting of shareholders and the creditors of the Company and DDL and also seeking directions to, inter alia, serve notices to various regulatory authorities viz., the concerned income-tax authority, the Regional Director, Western Region, Mumbai, the Registrar of Companies, Mumbai, the Official Liquidator, Mumbai (insofar as DDL is concerned) and SEBI and the stock exchanges (insofar as the Company is concerned). The NCLT was pleased to dispense with the meeting of the shareholders and the creditors of the Company and DDL and also direct the Company and DDL to, inter alia, serve notices as above, vide its order dated 20 February 2020.

DDL was partly acquired by DGSIL from an unrelated party in FY 2018-19 and partly in FY 2019-20 such that DDL became a wholly owned subsidiary of DGSIL on May 15, 2019 (i.e. prior to the Appointed Date, being 1 June 2019). In line with the earlier intention of DGSIL, it was contemplated by DGSIL to merge DDL with itself, immediately subsequent to the acquisition of 100% in DDL by DGSIL. Therefore, the intermediate step of acquisition of shares along with the subsequent intention to merge DDL with DGSIL is considered to be a single business combination. In the context of a composite arrangement of acquisition of shares of DDL from an unrelated party followed by a merger of DDL with DGSIL, DGSIL has applied "acquisition method" of accounting under Ind AS 103 to account for the said acquisition of DDL by DGSIL as to represent genuine substantive business combination of DDL (previous controlled by unrelated parties) with DGSIL.

The NCLT has passed the order of DGSIL-DDL merger vide order no. CP (CAA) 970/30-232/MB/2020 dated November 06, 2020. Hence the books of DDL has been merged with DGSIL w.e.f. June 1, 2019. Following is the calculation of goodwill arising out of transaction:

The Group and DDL had complied with all the requisite filings as per directions of the National Company Law Tribunal, Mumbai Bench ("NCLT"). The NCLT had approved the merger of DDL with the Group vide order no. CP (CAA) 970/30-232/MB/2020 dated November 06, 2020, in view thereof, since the merger of DDL with DGSIL was effective from June 01, 2019 (i.e. the appointed date), the accounting effect of the merger was given during the current year w.e.f. the appointed date. Consequently, all relevant figures of the previous year ended March 31, 2020 pertaining to the consolidated financial statements have been restated.

(Amount in INR)	
Particulars	Amount
Property, Plant and Equipments (including intangible Assets)	8,924,682
Investments	146,859,305
Cash and Bank Balances	9,674,787
Other financial assets	6,745,724
Loans and advances	28,953,133
Deferred tax assets	59,662,302
Other assets	87,901,567
Trade Payable	(8,804,574)
Other current liabilities	(4,419,898)
Provisions	(17,110,183)
<b>Net Assets</b>	<b>168,886,926</b>
Less: Investment in Datamatics Digital Limited	(350,100,290)
<b>Goodwill as per merger</b>	<b>187,018,464</b>
<b>Goodwill as per Consolidation</b>	<b>169,110,650</b>
Goodwill derecognised due to merger	82,892,186

- (iv) The group had recorded contingent consideration of Rs. 32,497,861 with respect to its acquisition of R2 Globus Solutions Pvt in earlier years. During the year the transaction was concluded and excess of contingent consideration over amount paid has been adjusted to Goodwill of Rs. 16,757,331 as the same was debited to Goodwill at the time of accounting of contingent consideration.



**Note 43: Interests in Joint Venture**

a) Interests in joint venture

Set out below is the joint venture of the Group as at March 31, 2021 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(Amount in INR)

Name of entity	Place of business	ownership interest	Relationship	Accounting method	Carrying amount	
					March 31, 2021	March 31, 2020
Cybercom DataMatrix Information Solutions Limited	India	50.50%	Joint venture	Equity	31,443,988	77,579,252

b) Summarised financial information for joint venture

(Amount in INR)

Summarised balance sheet	March 31, 2021	March 31, 2020
<b>Current assets</b>		
Cash and cash equivalents	2,085,385	8,018,782
Other assets	25,143,787	113,782,667
<b>Total current assets</b>	<b>27,229,172</b>	<b>121,801,448</b>
Property, Plant & equipment	37,663,868	38,548,259
Other assets	3,735,758	9,232,312
<b>Total non-current assets</b>	<b>41,399,626</b>	<b>47,780,572</b>
<b>Current liabilities</b>		
Financial liabilities	6,130,968	11,308,803
Other liabilities	232,500	500,089
<b>Total current liabilities</b>	<b>6,363,470</b>	<b>11,808,892</b>
<b>Non-current liabilities</b>		
Other liabilities	-	4,130,842
<b>Total non-current liabilities</b>	<b>-</b>	<b>4,130,842</b>
<b>Net assets</b>	<b>62,265,328</b>	<b>155,672,288</b>

(Amount in INR)

Reconciliation to carrying amounts	March 31, 2021	March 31, 2020
<b>Particulars</b>		
Opening net assets	153,622,286	150,999,450
Profit for the year	8,490,018	28,445,208
Other comprehensive income	153,023	(252,593)
Dividends paid including tax	(100,000,000)	(25,569,778)
<b>Closing net assets</b>	<b>62,265,327</b>	<b>153,622,286</b>
Group's share in %	50.50%	50.50%
Group's share in INR	31,443,988	77,579,252
<b>Carrying amount</b>	<b>31,443,988</b>	<b>77,579,252</b>

(Amount in INR)

Summarised statement of profit and loss	March 31, 2021	March 31, 2020
<b>Particulars</b>		
Revenue	44,429,007	79,563,076
Other income	5,524,400	6,131,714
Depreciation and amortisation	(1,032,607)	(3,890,470)
Finance costs	-	(6,319)
Other expenses	(40,815,339)	(51,696,782)
Income tax expense	(15,443)	(8,426,012)
<b>Profit for the year</b>	<b>8,490,018</b>	<b>24,675,207</b>
Other comprehensive income	153,023	(252,593)
<b>Total comprehensive income</b>	<b>8,643,041</b>	<b>23,822,614</b>
Less: Relating to earlier year	-	-
<b>Profit attributable</b>	<b>8,643,041</b>	<b>23,822,614</b>
Group's share in %	50.50%	50.50%
Group's share in INR	4,364,736	12,034,532

**Note 44: Earnings per Share**

Particulars	March 31, 2021	March 31, 2020
(a) Net Profit after taxation attributable to equity shareholders (Amount in INR)	432,813,851	346,755,724
(b) Weighted average number of outstanding equity shares considered for Basic EPS	120,000	120,000
(c) Net Profit / (Loss) after taxation attributable to equity shareholders (Amount in INR)	432,813,851	346,755,724
(Nominal value per share Rs. 1 each)		
(d) Earnings per share		
Basic earning per share (in Rs.) (a/b)	3,606.78	2,889.63
Diluted earning per share (in Rs.) (c/b)	3,606.78	2,889.63





**Note 45: Related party transactions**

A As required under Ind AS 24 – "Related Party Disclosures", following are details of transactions during the year with the related parties of the Company and its subsidiaries as defined in Ind AS 24.

The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below.

Transactions and balances with its own subsidiaries are eliminated on consolidation.

(A) Joint Venture Company  
Cybercom Dataanalytics Information Solutions Limited

(B) Key Managerial Personnel  
Dr. Lalit S. Kanodia, Chairman  
Mr. Rahul L. Kanodia, Vice Chairman & CEO  
Mr. Sameer L. Kanodia, Director  
Ms. Divya Kamat, Company Secretary  
Mr. Sandeep Mantri, Chief Financial Officer

(C) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel  
Mrs. Asha L. Kanodia  
Mrs. Anamika Dandia  
Mrs. Piyushshree Kanodia  
Mrs. Anju S. Kanodia  
Dataanalytics Business Solutions Limited  
Dataanalytics Infotech Services Private Limited

(B) Details of transactions with the related parties stated in (A) above

Sr No.	Particulars	II A		II B		II C	
		2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
(A)	Transactions during the year						
i	Revenue from operations	-	-	-	-	6,516,994	5,811,450
	Dataanalytics Business Solutions Limited	-	-	-	-	6,516,994	5,811,450
ii	Technical Fees	-	-	-	-	2,350,264	-
	Dataanalytics Business Solutions Limited	-	-	-	-	2,350,264	-
iii	Expenses incurred by related parties	1,003,748	332,653	-	-	8,284	6,000
	Cybercom Dataanalytics Information Solutions Limited	1,003,748	332,653	-	-	-	-
	Dataanalytics Business Solutions Limited	-	-	-	-	8,284	6,000
iv	Expenses incurred for related parties	1,562,840	595,379	-	-	-	-
	Cybercom Dataanalytics Information Solutions Limited	1,562,840	-	-	-	-	-
	Dataanalytics Infotech Services Private Limited	-	595,379	-	-	-	-
v	Legal and professional fees	-	-	-	-	227,375	433,000
	Dataanalytics Business Solutions Limited	-	-	-	-	227,375	433,000
vi	Managerial remuneration*	-	-	27,496,312	14,531,785	-	-
	Dr. Lalit S. Kanodia	-	-	9,060,784	10,863,566	-	-
	Mr. Rahul L. Kanodia	-	-	9,247,645	13,201,594	-	-
	Mr. Sameer L. Kanodia	-	-	9,187,883	10,666,625	-	-
vii	Salaries and allowances*	-	-	17,966,747	15,614,432	6,318,292	5,887,512
	Mrs. Piyushshree B. Kanodia	-	-	-	-	3,408,202	3,300,812
	Mrs. Anju S. Kanodia	-	-	-	-	1,950,000	1,787,500
	Ms. Divya Kamat	-	-	9,408,975	8,322,606	-	-
	Mr. Sandeep Mantri	-	-	7,558,772	7,291,816	-	-
viii	Commission	-	-	10,915,000	9,914,000	273,000	250,000
	Dr. Lalit S. Kanodia	-	-	5,477,500	4,190,000	-	-
	Mr. Rahul L. Kanodia	-	-	5,477,500	4,190,000	-	-
	Mr. Sameer L. Kanodia	-	-	-	1,534,000	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	273,000	250,000
ix	Board sitting fees	-	-	-	-	175,000	140,000
	Mrs. Asha L. Kanodia	-	-	-	-	175,000	140,000
x	Dividend Paid	-	-	-	4,758,853	-	4,779,118
	Dr. Lalit S. Kanodia	-	-	-	5,477,995	-	-
	Mr. Sameer L. Kanodia	-	-	-	1,471,858	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	1,305,258
	Mrs. Piyushshree Kanodia	-	-	-	-	-	1,473,862
xi	Loans and advances received during the year	1,052,098	-	-	-	-	-
	Cybercom Dataanalytics Information Solutions Limited	1,052,098	-	-	-	-	-
xii	Loans and advances given during the year	1,258,739	3,258,849	-	-	-	603,982
	Cybercom Dataanalytics Information Solutions Limited	1,258,739	3,258,849	-	-	-	-
	Dataanalytics Infotech Services Private Limited	-	-	-	-	-	603,982

Sr No.	Particulars	II A		II B		II C	
		31-03-2021	31-03-2020	31-03-2021	31-03-2020	31-03-2021	31-03-2020
(A)	Balance as on March 31						
i	Loans and advances receivable	1,796,000	4,902,944	-	-	603,982	603,982
	Cybercom Dataanalytics Information Solutions Limited	1,796,000	4,902,944	-	-	-	-
	Dataanalytics Infotech Services Private Limited	-	-	-	-	603,982	603,982
ii	Payables	-	-	10,915,000	9,914,000	443,155	250,000
	Dr. Lalit S. Kanodia	-	-	5,477,500	4,190,000	-	-
	Mr. Rahul L. Kanodia	-	-	5,477,500	4,190,000	-	-
	Mr. Sameer L. Kanodia	-	-	-	1,534,000	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	273,000	250,000
	Dataanalytics Business Solutions Limited	-	-	-	-	170,155	-
iii	Receivables	439,029	908,348	-	-	1,844,805	2,987,323
	Dataanalytics Business Solutions Limited	439,029	908,348	-	-	1,844,805	2,987,323
	Cybercom Dataanalytics Information Solutions Limited	-	-	-	-	-	-

\* Above figures does not include gratuity, leave encashment, medical and term life insurance as separate actuarial valuation/premium figure are not available.



**Note 46: Leases**

**Operating leases**

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 35. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Rental expense relating to operating leases

(Amount in INR)

	March 31, 2021	March 31, 2020
Total rental expense relating to operating leases	94,229,577	155,696,660

**Note 47: Auditor's Remuneration**

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
For services as auditors, including quarterly audits	9,581,513	10,524,110
For tax audit	185,000	400,870
For other services	1,199,094	855,321
Total	11,135,206	11,540,321

**Note 48: 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.

(Amount in INR)

Contingent Liabilities to the extent not provided for:	March 31, 2021	March 31, 2020
(a) Claims against the Group not acknowledged as debt:		
(i) Income Tax matters	1,773,726	1,773,726
(b) Details of guarantees outstanding as at:		
(i) Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture	-	49,900,000
(ii) Guarantees given by banks	469,896,652	467,722,911
(c) Capital and other commitments:		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	300,598,970	4,968,968
(ii) Estimated amount payable under business development agreement to business consultant (USD 2.56,000)	-	19,351,040

**Note 49: Forward contracts in foreign currencies**

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Not later than one month	103,101,667	119,581,296
Later than one month and not later than three months	321,361,392	437,702,581
Later than three months and not later than one year	1,541,723,798	1,828,105,948
Later than one year	1,028,652,660	1,603,172,277
Total	3,054,929,515	4,088,763,398

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(Amount in INR)

Foreign Currency	March 31, 2021			March 31, 2020		
	No. of Contracts	Notional amount of contracts	Fair Value gain / (loss)	No. of Contracts	Notional amount of contracts	Fair Value gain / (loss)
U.S. Dollar	309	27,023,470	(54,873,854)	388	40,729,554	(93,940,060)
British Pound	100	8,487,576	23,432,159	149	9,967,956	23,075,618
Total			(31,441,695)			(70,864,442)

Net loss on derivative instruments of Rs. 41,451,285 (loss in Rs. 70,864,454 March 2020) recognised in Hedging Reserve as of March 31, 2021, is expected to be reclassified to the Statement of Profit and Loss by December 31, 2022.

**Note 50: Revenue from contract with major customers**

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2021 and March 31, 2020.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognition corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:

(Amount in INR)

Particulars	March 31, 2021	March 31, 2020
Balance at beginning of the year	176,042,056	44,126,759
Revenue recognised during the year	200,316,137	250,811,610
Invoices raised during the year	882,714,003	118,316,513
Balance at the end of the year	253,683,210	176,042,056





## Note 55: 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.

		(Amount in INR)	
		March 31, 2021	March 31, 2020
A. Defined Contribution Plan	Defined Contribution Plan		
	Charge to the Statement of Profit and Loss based on contributions:		
	Employers contribution to provident fund	199,458,238	189,551,265
	Employers contribution to other foreign defined contribution plans	85,788,934	80,528,570
	Employers contribution to employees' state insurance	11,344,563	12,406,365
	Employers contribution to labour welfare fund and others	265,923	383,127
	Included in contribution to provident fund and other funds (Refer Note No. 53)	296,658,658	282,869,327

## B. Defined benefit plan

## i) Movement in Present Value of Obligation

		(Amount in INR)			
		Gratuity		Leave encashment	
Particulars		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Present Value of Obligation as at the beginning		194,582,305	163,441,271	88,529,601	90,166,147
Current service cost		28,726,538	28,870,728	60,667,113	34,806,851
Interest expense on cost		11,236,262	12,655,098	6,010,319	8,959,316
Re-measurement (or Actuarial) gain / loss arising from:					
- change in demographic assumptions		9,411,000	(170,036)	(31,583,989)	(30,327)
- change in financial assumptions		11,236,276	23,889,638	6,464,762	8,020,132
- experience variance (i.e. actual experience vs assumptions)		(14,003,720)	28,089,338	27,597,509	(12,077,850)
Past Service Cost		-	-	(17,773,660)	-
Benefits Paid		(20,315,925)	(60,501,897)	(25,649,865)	(15,034,638)
Acquisition adjustment		-	1,589,077	-	510,038
Present value of obligation as at the end		222,950,634	215,663,367	116,465,791	103,295,699

## ii) Expenses recognised in the income statement and other comprehensive income

		(Amount in INR)			
		Gratuity		Leave encashment	
Particulars		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Current service cost		28,726,538	28,870,728	60,667,113	34,806,851
Past service cost		-	-	(17,773,660)	-
Net interest cost on the net defined benefit liability		13,331,262	12,655,098	4,042,319	6,968,167
Actuarial (gains) / losses		-	-	(1,923,521)	(5,290,274)
Expenses recognised in Profit & Loss Account		41,847,800	41,525,826	51,618,250	36,485,323
Other Comprehensive Income -					
Actuarial (gains) / losses		-	-	-	-
- change in demographic assumptions		9,411,000	(170,036)	208,706	-
- Change in financial assumptions		11,236,276	23,889,638	4,192,738	-
- experience variance		(13,996,720)	28,089,338	43,261	-
Expenses recognised in OCI		6,650,556	49,809,370	4,443,705	-

## iii) Financial Assumptions

The principal financial assumptions used in the valuation are shown in the table below:

		(Amount in INR)			
		Gratuity		Leave encashment	
Particulars		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Discount Rate (per annum)		5.35% - 5.83%	5.40% - 7.60%	5.40% - 7.60%	5.40% - 7.60%
Salary growth rate (per annum)		4.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%	3.50% - 4.50%
Mortality Rate		ILM 12-14	ILM 12-14	ILM 12-14	ILM 12-14

## iv) Sensitivity Analysis

		(Amount in INR)			
		Gratuity		Leave encashment	
		March 31, 2021		March 31, 2020	
Particulars		Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)		162,506,225	144,398,348	141,785,134	126,806,898
Discount rate (- / + 1%)		-	-	93,593,869	71,549,548
Salary growth rate (- / + 0.5%)		184,129,360	162,703,359	126,623,834	161,332,097
Salary growth rate (- / + 1%)		-	-	71,372,809	83,253,821
Attrition rate (1 / + 25%)		154,816,564	151,476,797	176,839,408	175,584,762
Attrition rate (1 / + 50%)		-	-	40,105,420	38,767,775
Mortality rate (- / + 1%)		152,607,619	152,863,777	215,286,012	215,626,236

## Sensitivity Analysis

		(Amount in INR)			
		Gratuity		Leave encashment	
		March 31, 2021		March 31, 2020	
Particulars		Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)		28,922,186	65,437,170	113,284,004	94,523,823
Salary growth rate (- / + 1%)		65,202,643	79,855,928	84,568,451	113,433,052
Attrition rate (1 / + 50%)		66,435,547	74,614,848	70,311,894	76,207,963
Attrition rate (1 / + 25%)		-	-	28,555,604	29,803,686
Mortality rate (- / + 10%)		71,194,389	71,271,045	103,257,203	103,528,270

## v) Maturity profile of Defined Benefit obligation

		(Amount in INR)			
		Gratuity		Leave encashment	
		March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Expected Cash flow over the next (valued on undiscounted basis)					
1 Year		35,175,490	23,638,605	32,063,630	23,643,404
2 to 5 years		72,667,525	61,197,308	46,365,411	31,899,051
6 to 10 years		67,894,518	69,953,241	14,060,006	28,120,899
More than 10 years		329,082,434	457,475,337	111,958,750	147,821,259

## iii) LDI RSU PLAN 2016

The Limca Electronics Limited ("subsidiary company") has granted "Restricted Stock Units" under "LDI RSU PLAN 2016". The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the subsidiary company including its step subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the subsidiary company shall be the primary requirement of the vesting. Under the LDI RSU PLAN 2016, 432,000 options were granted at exercise price of Rs. 10 per all of the options 216,000 were surrendered.





Note 53: Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2021

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount in INR	As % of consolidated profit or loss	Amount in INR	As % of consolidated OCI	Amount in INR	As % of consolidated TCI	Amount in INR
Delta Infosolutions Private Limited	2%	188,948,366	0%	(1,408,014)	0%	-	0%	(1,408,014)
Subsidiaries								
Indian								
Datamatics Global Services Limited	52%	5,564,375,949	53%	563,091,118	49%	28,156,698	53%	593,247,816
Cignex Datamatics Technologies Limited	0%	-	3%	57,062,559	21%	12,099,052	4%	49,142,591
Lumina Datamatics Limited	20%	2,712,337,841	47%	493,908,612	83%	47,381,224	48%	541,289,836
Datamatics Robotics Software Limited	0%	(26,672,428)	-10%	(138,447,107)	-1%	(370,322)	-10%	(108,817,439)
LD Publishing & eRenal Limited	0%	-	0%	31,112	0%	-	0%	31,112
LD Retail Limited	0%	14,544,759	1%	6,563,593	0%	(61,607)	1%	6,501,986
Datamatics Staffing Services Limited	0%	8,178,804	0%	(3,242,000)	0%	182,041	0%	(1,063,959)
Rd Global Solutions Private Limited	0%	22,510	0%	-	0%	-	0%	-
Foreign								
Datamatics Global Services Inc.	1%	508,385,976	4%	(40,180,051)	-51%	(18,088,866)	-5%	(58,223,471)
Datamatics Robotics Software Inc.	0%	4,952,839	0%	864,033	0%	10,341	0%	874,374
Datamatics Infotech Limited	1%	358,039,933	8%	82,049,443	39%	22,113,465	3%	109,162,910
Datamatics Global Services Pty. Limited	0%	35,545,205	1%	14,412,053	7%	4,002,898	2%	18,414,732
Datamatics Global Technologies Limited	5%	687,119,038	9%	81,678,048	63%	(37,364,044)	4%	44,314,004
Datamatics Global Technologies AG	0%	616,588	0%	190,635	0%	(16,936)	0%	173,678
Rd Global Solutions Inc.	0%	50,231,515	5%	50,566,544	-2%	(1,098,635)	4%	49,527,910
Rd Global Inc.	0%	615,366	0%	(26,182)	0%	(22,747)	0%	(48,929)
Cignex Datamatics Corporation	0%	-	0%	(78,701)	0%	-	0%	(78,701)
Cignex Datamatics Inc.	0%	-	3%	93,749,520	3%	1,755,668	8%	95,505,188
Cignex Datamatics Pte. Limited	0%	-	0%	538,253	0%	(12,128)	0%	526,125
Cignex Datamatics UK Limited	0%	-	0%	-	0%	-	0%	-
Cignex Datamatics GmbH	0%	-	0%	(517,438)	0%	20,410	0%	(517,028)
Datamatics Global Services PZ LLC	1%	188,248,760	1%	11,796,712	-8%	(4,497,671)	1%	13,299,041
Datamatics Global Services BV	0%	2,545,700	0%	572,261	0%	33,355	0%	605,616
Datamatics Global Services Corp.	0%	10,957,932	0%	586,512	0%	(62,088)	0%	524,424
Lumina Datamatics Inc.	1%	468,764,288	-13%	(192,085,781)	5%	3,660,168	-17%	(191,425,613)
Lumina Datamatics GmbH	0%	19,665,025	0%	618,453	0%	(5,575)	0%	612,878
Lumina Datamatics Assessment and Analytics, LLC	-1%	(98,429,811)	-7%	(28,678,526)	1%	388,733	-9%	(28,579,793)
Total	100%	50,499,037,694	100%	3,066,344,736	100%	57,298,332	100%	3,123,643,068
Adjustments arising out of consolidation		(6,796,695,147)		(231,918,049)		186,758,003		(65,160,095)
Share of Profit in Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		4,364,736		-		4,364,736
Non Controlling Interest								
Indian Subsidiaries:								
Datamatics Global Services Limited		3,281,062,526		(563,226,554)		(104,031,333)		(467,137,887)
Datamatics Staffing Services Limited		4,685,546		1,588,580		189,200		1,799,380
Datamatics Robotics Software Limited		(11,344,682)		952,979		1,254		954,233
Foreign Subsidiaries:								
Lumina Datamatics Assessment and Analytics, LLC		-		10,142,484		-		10,142,484
Datamatics Robotics Software Inc.		348,184		(7,154)		(89)		(7,243)
Rd Global Solutions Inc.		-		(6,317,545)		132,670		(6,184,875)
Cignex Datamatics Corporation		-		(80,000,342)		(15,730,513)		(95,730,855)
Total		(8,542,434,629)		(631,490,854)		67,687,788		(666,803,075)
Consolidated Net Assets / Profit after tax / OCI / TCI		7,156,403,391		492,813,851		124,386,110		557,154,967



Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2020

Particulars	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	Amount in INR	As % of consolidated profit or loss	Amount in INR	As % of consolidated OCI	Amount in INR	As % of consolidated TCI	Amount in INR
Delta Infosolutions Private Limited	1%	1,11,054,880	9%	11,477,830	0%	-	4%	51,477,830
Subsidiaries								
Indian								
Datamatics Global Services Limited	40%	5,062,928,136	90%	408,332,239	-124%	(92,468,008)	41%	309,664,230
Cignex Datamatics Technologies Limited	3%	376,031,757	8%	55,578,563	-30%	(20,990,000)	4%	28,588,563
Lumina Datamatics Limited	17%	2,198,971,035	7%	47,187,833	-74%	(56,270,236)	-1%	(9,082,403)
Datamatics Robotics Software Limited	0%	(52,554,088)	-8%	(54,230,886)	-1%	(802,108)	-7%	(55,036,995)
LD Publishing & eRetail Limited	0%	465,838	0%	-	0%	-	0%	-
LD eRetail Limited	0%	38,084,066	0%	1,445,714	0%	(30,000)	1%	1,415,714
Datamatics Digital Limited	0%	-	2%	10,854,228	0%	(94,733)	1%	10,759,497
Datamatics Staffing Services Limited	0%	11,403,624	0%	795,158	0%	164,504	0%	955,663
Ri Global Solutions Private Limited	0%	50,513	0%	(2,369)	-1%	(572,175)	0%	(574,545)
Foreign								
Datamatics Global Services Inc.	4%	550,515,223	-1%	(8,844,298)	61%	68,138,470	5%	27,259,170
Datamatics Robotics Software Inc.	0%	105,584	0%	371,836	0%	480	0%	572,356
Datamatics Infotech Limited	-2%	252,877,043	12%	81,624,625	13%	9,783,083	12%	91,407,708
Datamatics Global Services Pte. Limited	0%	17,000,823	0%	3,286,061	-2%	(1,435,041)	0%	(189,880)
Datamatics Global Technologies Limited	5%	1,184,595,004	0%	49,112	125%	94,246,014	13%	94,296,026
Datamatics Global Technologies AG	0%	852,910	0%	15,170	0%	75,289	0%	100,459
Techint Inc.	0%	77,500,185	1%	5,559,979	6%	4,362,145	1%	9,922,124
Ri Global Solutions Inc.	0%	765,588	2%	13,045,749	55%	26,122,594	5%	39,168,343
Ri Global Inc.	0%	764,295	0%	(23,581)	0%	(94,871)	0%	(118,257)
Cignex Datamatics Corporation	-1%	(71,281,551)	0%	-	0%	-	0%	-
Cignex Datamatics Inc.	3%	366,031,299	7%	47,379,568	-27%	(20,604,134)	4%	26,775,432
Cignex Datamatics Pte. Limited	0%	12,484,165	0%	1,130,532	0%	60,000	0%	1,190,532
Cignex Datamatics GmbH	0%	2,405,218	0%	225,056	0%	10,080	0%	255,056
Duo Consulting, Inc.	0%	39,761,488	0%	(1,745,493)	0%	150,000	0%	(1,595,493)
Datamatics Global Services PT.LLC	5%	128,953,921	0%	2,473,279	9%	6,484,733	1%	8,957,073
Datamatics Global Services BV	0%	1,040,284	0%	113,885	0%	76,649	0%	18,210
Datamatics Global Services Corp.	0%	25,227,316	0%	1874,281	6%	4,388,551	0%	3,524,070
Lumina Datamatics Inc.	20%	2,518,118,660	6%	81,751,670	35%	27,510,090	9%	69,871,870
Lumina Datamatics GmbH	0%	18,405,715	0%	513,782	20%	15,350,000	2%	15,863,782
Lumina Datamatics Assessment and Analytics, LLC	0%	(5,230,097)	-1%	(8,033,340)	55%	41,210,090	6%	33,146,693
<b>Total</b>	<b>100%</b>	<b>12,613,789,758</b>	<b>100%</b>	<b>671,954,245</b>	<b>302%</b>	<b>75,676,853</b>	<b>100%</b>	<b>747,631,119</b>
Adjustments arising out of consolidation		(8,913,031,442)		(67,217,662)		(61,100,793)		(128,368,413)
Share of Profit in Joint Ventures								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited		-		12,054,532		-		12,054,532
Non Controlling Interest								
Indian Subsidiaries								
Datamatics Global Services Limited		5,124,144,500		(299,942,125)		(338,090)		(289,904,028)
Datamatics Staffing Services Limited		5,588,266		(319,628)		80,607		(109,021)
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		(75,052,588)		2,811,669		-		2,811,669
Ri Global Solutions Inc.		80,812		(1,627,531)		3,391,944		1,554,445
Cignex Datamatics Corporation		248,219,400		(81,499,860)		(17,753,055)		(52,562,957)
Duo Consulting, Inc.		(8,974,483)		54,552,036		-		54,552,036
<b>Total</b>		<b>(5,559,346,933)</b>		<b>(125,106,521)</b>		<b>(75,153,198)</b>		<b>(190,161,695)</b>
<b>Consolidated Net Assets / Profit after tax / OCI / TCI</b>		<b>7,054,442,825</b>		<b>346,757,724</b>		<b>523,715</b>		<b>347,279,449</b>



**Note 53: Code on Social Security, 2020**

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the group towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The group will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

**Note 54: Impact of COVID - 19 Pandemic**

The group has assessed the possible effects that may result from the COVID-19 pandemic on the carrying amounts of receivables, unbilled revenues, goodwill, intangibles, investments and other assets / liabilities. Based on the current indicators of economic conditions, the group 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 consolidated financial statements and the group will continue to closely monitor any material changes to the economic conditions in the future.

**Note 55: Previous year's figures**

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

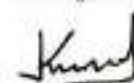
As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096

For and on behalf of the Board



Kunal Vakharia

Partner

Membership No. 148916



Place : Mumbai

Dated :



Dr. Lalit S. Kanodia

Chairman

DIN 00008050



Rahul L. Kanodia

Director

DIN 00075801



## **INDEPENDENT AUDITORS' REPORT**

**To the Members of DELTA INFOSOLUTIONS PRIVATE LIMITED**

**Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the Standalone Financial Statements of **DELTA INFOSOLUTIONS PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view, in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, and its loss including other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* Section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### **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 Standalone Financial Statements and our auditors' report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.





In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the 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.

#### **Responsibilities of Management and Those charged with Governance for the Standalone Financial Statements**

The Company's management and Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management 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.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the





company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Standalone Financial Statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone 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), the Statement of Changes in Equity and the Cash Flow

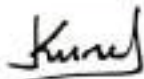




Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Standalone Financial Statements.

- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Account) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- f) This Report does not contain a statement with respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, as per Clause(i) of section 143(3) of the act as, in our opinion, and according to the information and explanations given to us, the clause is not applicable in the case of the company.
- g) The provisions of section 197 read with schedule V of the Act are not applicable to the Company for the year ended March 31, 2021.
- h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 material foreseeable losses on long-term contracts including derivatives contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For Kanu Doshi Associates LLP  
Chartered Accountants  
FRN. No. 104746W/W100096



Kunal Vakharia  
Partner  
Membership no. 148916  
UDIN: 21148916AAAAJU8470



Place: Mumbai  
Date: October 05, 2021

## ANNEXURE A TO THE AUDITOR'S REPORT

Referred to in paragraph 2 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of DELTA INFOSOLUTIONS PRIVATE LIMITED for the year ended March 31, 2021

- i. The Company does not possess any fixed assets. Accordingly clause 3(i) of the order is not applicable.
- ii. The Company's nature of operations does not require it to hold inventories. Accordingly, clause 3(ii) of the order is not applicable.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) & (b) of clause 3(iii) of the order are not applicable to the Company.
- iv. According to information and explanation provided to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act, for any of the products of the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, duty of custom, cess, Goods & Service Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2021 for a period of more than six months from the date they became payable.  
(b) As informed to us, there were no disputed amounts payable in respect of Income Tax, Goods and Service Tax, Custom Duty, cess and any other material statutory dues in arrears, as at March 31, 2021.
- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.
- ix. The Company has not raised any money by way of public issue/ further offer including debt instruments.
- 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. The company has not paid any managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013. Consequently, clause (xi) of the order is not applicable.





- 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 Standalone Financial Statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. According to the information and explanations given to us, the Company is not required to obtain registration under Section 45IA of the Reserve Bank of India Act, 1934 and therefore clause 3(xvi) of the Order is not applicable.

For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm registration No: 104746W/W100096



Kunal Vakharia  
Partner  
Membership No: 148916  
UDIN: 21148916AAAAJU8470



Place: Mumbai  
Date: October 05, 2021

**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
Financial statements March 31, 2021

Standalone balance sheet as at

(Amount in Rs.)

Particulars	Note	As at March 31, 2021	As at March 31, 2020
<b>ASSETS</b>			
<b>Non-current assets</b>			
Financial assets			
i. Investments	3	164,995,821	164,995,821
Non-current tax assets		3,874,547	4,142,435
<b>Total non-current assets</b>		<b>168,870,368</b>	<b>169,138,256</b>
<b>Current assets</b>			
Financial assets			
i. Cash and cash equivalents	4	2,611,394	3,317,344
ii. Other financial assets	5	31,971	11,343
Other current assets	6	-	435,292
<b>Total current assets</b>		<b>2,643,365</b>	<b>3,763,979</b>
<b>Total assets</b>		<b>171,513,734</b>	<b>172,902,235</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7(a)	120,000	120,000
Other equity	7(b)	168,828,366	170,236,380
<b>Total equity</b>		<b>168,948,366</b>	<b>170,356,380</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
i. Trade payables	8	-	-
Dues of Micro and small enterprises		-	-
Dues other than Micro and small enterprises		143,240	19,386
ii. Other financial liabilities	9	2,376,477	2,526,169
Other current liabilities	10	45,651	300
<b>Total liabilities</b>		<b>2,565,368</b>	<b>2,545,855</b>
<b>Total equity and liabilities</b>		<b>171,513,734</b>	<b>172,902,235</b>

The accompanying notes forming an integral part of the financial statements 1 - 23

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
Kunal Vakharia  
Partner  
Membership No. 148916



For and on behalf of the Board

  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801

Place : Mumbai  
Date :

Standalone statement of profit and loss for the year ended

			(Amount in Rs.)
Particulars	Note	Year ended March 31, 2021	Year ended March 31, 2020
Other income	11	-	32,113,233
<b>Total income</b>		<b>-</b>	<b>32,113,233</b>
<b>Expenses</b>			
Other expenses	12	1,140,126	1,211,407
<b>Total expenses</b>		<b>1,140,126</b>	<b>1,211,407</b>
<b>Profit before tax</b>		<b>(1,140,126)</b>	<b>30,901,826</b>
Income tax expense			
- Current tax	13(a)	267,888	(16,171)
- Deferred tax	13(a)	-	(559,833)
<b>Total tax expense/(credit)</b>		<b>267,888</b>	<b>(576,004)</b>
<b>Profit for the year</b>		<b>(1,408,014)</b>	<b>31,477,830</b>
<i>Items that will not be reclassified to profit or loss</i>			
Fair Value gain on FVOCI investments		-	-
		-	-
<b>OCI for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(1,408,014)</b>	<b>31,477,830</b>
Earning per share (Face value Rs. 1 each)			
- Basic and Diluted (in Rs.)	19	(11.73)	262.32
The accompanying notes forming an integral part of the financial statements	1 - 23		

As per our attached report of even date  
For Kanu Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104746W/W100096

  
Kunal Vakharia  
Partner  
Membership No. 148916



For and on behalf of the Board

  
Dr. Lalit S. Kanodia  
Chairman  
DIN 00008050

  
Rahul L. Kanodia  
Director  
DIN 00075801

Place : Mumbai  
Date :



**A. Equity share capital**

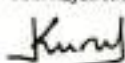
Particulars	Amount in Rs.
As at March 31, 2019	120,000
Changes in equity share capital	-
As at March 31, 2020	120,000
Changes in equity share capital	-
As at March 31, 2021	120,000

**B. Other equity**

(Amount in Rs.)

a. Other equity	Attributable to owners of Delta Infosolutions Private Limited					Total
Particulars	Reserves and surplus			Other reserves	Total other equity	Total
	Retained earnings	Capital Reserve	General reserve	FVOCI - Equity investments		
As at March 31, 2019	159,739,813	-	320,325,224	(13,751,176)	466,313,861	466,313,861
Profit for the year (Refer Note 20)	31,477,830	(295,755,311)	-	-	(264,277,481)	(264,277,481)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the year	31,477,830	(295,755,311)	-	-	(264,277,481)	(264,277,481)
- Interim Dividend on Equity shares	(31,800,000)	-	-	-	(31,800,000)	(31,800,000)
As at March 31, 2020	159,417,643	(295,755,311)	320,325,224	(13,751,176)	170,236,380	170,236,380
Profit for the year	(1,408,014)	-	-	-	(1,408,014)	(1,408,014)
Other comprehensive income	-	-	-	-	-	-
As at March 31, 2021	158,009,629	(295,755,311)	320,325,224	(13,751,176)	168,828,366	168,828,366

As per our attached report of even date  
For Kunal Doshi Associates LLP  
Chartered Accountants  
Firm Registration No. 104745W/W100096



Kunal Vakharia  
Partner  
Membership No. 148916



Place : Mumbai  
Date :

For and on behalf of the Board



Dr. Lalit S. Kanodia  
Chairman  
DIN 00038050



Rahul L. Kanodia  
Director  
DIN 00075801



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
**Cash flow statement for the year ended March 31, 2021**

(Amount in Rs.)

	March 31, 2021	March 31, 2020
<b>A. Cash flow from operating activities</b>		
Profit before tax	(1,140,126)	30,901,826
Adjustments for :		
Operating profit before working capital changes	(1,140,126)	30,901,826
Adjustments for :		
Decrease / (Increase) in other financial and non-financial assets	414,664	(225,120)
(Decrease) / Increase in trade payables	123,854	(73,800)
(Decrease) / Increase in other financial liabilities	(149,692)	2,526,169
(Decrease) / Increase in current liabilities	45,351	(15,653)
<b>Cash generated from operations</b>	<b>(705,950)</b>	<b>33,113,422</b>
Direct taxes paid (net)	-	(1,728,606)
<b>Net cash flow from operating activities (A)</b>	<b>(705,950)</b>	<b>31,384,816</b>
<b>B. Cash flow from investing activities</b>		
(Purchase) / Sale of long-term investments	-	(10,033,427)
Sale / (Purchase) of current investments	-	13,587,717
<b>Net cash flow used in investing activities (B)</b>	<b>-</b>	<b>3,554,290</b>
<b>C. Cash flow from financing activities</b>		
Dividend paid	-	(31,800,000)
<b>Net cash flow used in financing activities (C)</b>	<b>-</b>	<b>(31,800,000)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>(705,950)</b>	<b>3,139,106</b>
Cash and cash equivalents at the beginning of the year	3,317,344	178,238
<b>Net cash and cash equivalents at the end of the year</b>	<b>2,611,394</b>	<b>3,317,344</b>

**Note:-**

- 1) Cash Flow Statement has been prepared under the indirect method as set out in the Ind AS 7 "Statement of Cash Flows".
- 2) Since the Company is an investment company, purchase and sale of investments have been considered as part of "Cash flow from investing activities" and dividend earned of Rs. Nil (Rs. 32,113,233) have been considered as a part of "Cash flow from operating activities".
- 3) Previous year figures have been regrouped / reclassified wherever considered necessary.

As per our attached report of even date  
**For Kanu Doshi Associates LLP**  
Chartered Accountants  
Firm Registration No. 104746W/W100096

*Kunal*

**Kunal Vakharia**  
Partner  
Membership No. 148916



For and on behalf of the Board

*Dr. Lalit S. Kanodia*  
**Dr. Lalit S. Kanodia**  
Chairman  
DIN 00008050

*Rahul L. Kanodia*  
**Rahul L. Kanodia**  
Director  
DIN 00075801

Place : Mumbai  
Date :

**Note 1: General information**

Delta Infosolutions Private Limited (Delta) is holding company of Datamatica Global Services Limited (DGS), having CIN U72300MH2892PTC0549311 was incorporated on 17 January 1992.

**Note 2: Significant accounting policies**

**a) Basis of preparation**

**i) Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) (Companies (Indian Accounting Standards) Rules, 2015) and other relevant provisions of the Act.

**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) and contingent consideration that is measured at fair value;
- \* assets held for sale – measured at fair value less cost to sell;
- \* defined benefit plans – plan assets measured at fair value; and
- \* share-based payments.

**iii) Revenue recognition**

Revenue is accounted for on accrual basis. Dividend income is recognised when right to receive dividend is established. Profit on sale of investment is recognised on sale of investments.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

**iv) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise these temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**v) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are compared at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or company's of assets (cash-generating units). Nonfinancial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

**vi) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

**vii) 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. Investment in subsidiary is accounted on historical cost.

**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.

**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. 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 gains/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.

#### (ii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

#### (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) 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.

#### (vi) 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 and are usually paid within 30 days of recognition. 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.

#### (vii) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Provisions for restructuring are recognised by the company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the ongoing activities of the company.

#### (viii) 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.

#### (ix) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### (x) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing

\* the profit attributable to owners of the company

\* by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 17).



m) Recent Indian Accounting Standards (Ind AS)

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of consolidated financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



Note 3 - Non-current investments

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Investment in equity instruments (fully paid-up)		
In subsidiaries		
32,098,742 (32,098,742) Equity Shares of Rs. 5/- each of Datamatics Global Services Limited fully paid	164,995,821	164,995,821
<b>Total</b>	<b>164,995,821</b>	<b>164,995,821</b>

Note 4 - Cash and cash equivalents

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Bank balances	2,610,914	3,316,864
Cash on hand	480	480
<b>Total</b>	<b>2,611,394</b>	<b>3,317,344</b>

Note 5 - Other current financial assets

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Other advances	31,971	11,343
<b>Total</b>	<b>31,971</b>	<b>11,343</b>

Note 6 - Other current assets

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Balance with govt authorities	-	435,292
<b>Total</b>	<b>-</b>	<b>435,292</b>



Note 7 - Share capital and other equity

7(a) - Equity share capital

(i) Authorised equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	600,000	600,000
Increase during the year	-	-
As at March 31, 2020	600,000	600,000
Increase during the year	-	-
As at March 31, 2021	600,000	600,000

(ii) Authorised redeemable preference share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	650,000	650,000
Increase during the year	-	-
As at March 31, 2020	650,000	650,000
Increase during the year	-	-
As at March 31, 2021	650,000	650,000

(iii) Issued, Subscribed and Paid-up equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	120,000	120,000
As at March 31, 2020	120,000	120,000
As at March 31, 2021	120,000	120,000

(iv) Movements in equity share capital

Particulars	Number of shares	Amount in Rs.
As at March 31, 2019	120,000	120,000
As at March 31, 2020	120,000	120,000
As at March 31, 2021	120,000	120,000

(v) Details of shareholders holding more than 5% shares in the Company

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	% Holding	Number of shares	% Holding
Dr. Lalit S. Kanodia	40,000	33.33%	40,000	33.33%
Mr. Sameer L. Kanodia	40,000	33.33%	40,000	33.33%
Vikrant Trust	40,000	33.33%	40,000	33.33%

7(b) - Reserves and surplus

Particulars	(Amount in Rs.)	
	As at March 31, 2021	As at March 31, 2020
Retained earnings	158,009,629	159,417,643
Capital Reserve	(295,755,311)	(295,755,311)
General reserve	320,325,224	320,325,224
FVOCI - Equity investments	(13,751,176)	(13,751,176)
Total	168,828,366	170,236,380





**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
**Financial statements March 31, 2021**

**Note 8 - Trade payables**

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Dues of Micro and small enterprises	-	-
Dues other than Micro and small enterprises	143,240	19,386
<b>Total</b>	<b>143,240</b>	<b>19,386</b>

Micro, Small and Medium enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

Particulars	As at March 31, 2021	As at March 31, 2020
(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 9 - Other current financial liabilities**

Particulars	As at March 31, 2021	As at March 31, 2020
Payable to related parties	2,376,477	2,526,169
<b>Total</b>	<b>2,376,477</b>	<b>2,526,169</b>

**Note 10 - Other current liabilities**

(Amount in Rs.)

Particulars	As at March 31, 2021	As at March 31, 2020
Statutory dues	45,651	300
<b>Total</b>	<b>45,651</b>	<b>300</b>



**DELTA INFOSOLUTIONS PRIVATE LIMITED**  
**Financial statements March 31, 2021**

<b>Note 11 - Other income</b>		(Amount in Rs.)
<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Dividend on share investment	-	32,113,233
<b>Total</b>	<b>-</b>	<b>32,113,233</b>

<b>Note 12 - Other expenses</b>		(Amount in Rs.)
<b>Particulars</b>	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Legal and Professional expenses	657,240	1,160,349
Audit fees (Refer Note No 16)	36,150	45,085
Rates and Taxes	443,707	5,401
Miscellaneous expenses	3,030	572
<b>Total</b>	<b>1,140,126</b>	<b>1,211,407</b>



DELTA INFOSOLUTIONS PRIVATE LIMITED  
Financial statements March 31, 2021

Note 13 - Taxation

13(a) - Income tax expense

	(Amount in Rs.)	
Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	267,888	(16,171)
<b>Total current tax expense</b>	<b>267,888</b>	<b>(16,171)</b>
<i>Deferred tax</i>		
Adjustments for MAT credit entitlement of prior periods	-	(559,833)
<b>Total deferred tax expense/(benefit)</b>	<b>-</b>	<b>(559,833)</b>
<b>Income tax expense</b>	<b>267,888</b>	<b>(576,004)</b>

13(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
<b>Profit for the year</b>	<b>(1,140,126)</b>	<b>30,901,826</b>
Statutory tax rate applicable to Delta Infosolutions Private Limited	27.82%	27.82%
<b>Tax expense at applicable tax rate</b>	<b>(317,183)</b>	<b>8,596,888</b>
Tax effects of amounts which are not deductible (taxable) in calculating taxable income:		
Exempted income	-	(8,909,589)
(Gain)/Loss in respect of which deferred tax (liability)/asset not recognized	317,183	-
Tax adjustment of earlier years	267,888	(576,004)
Others	-	312,701
<b>Income tax expense</b>	<b>267,888</b>	<b>(576,004)</b>



Financial instruments by category

(Amount in Rs.)

	31 March 2021			31 March 2020		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Cash and cash equivalents	-	-	2,611,394	-	-	3,317,344
Other advances	-	-	31,921	-	-	11,343
<b>Total financial assets</b>	-	-	<b>2,643,365</b>	-	-	<b>3,328,687</b>
<b>Financial liabilities</b>						
Payable to related party	-	-	2,376,477	-	-	2,526,169
Trade payable	-	-	143,240	-	-	19,386
<b>Total financial liabilities</b>	-	-	<b>2,519,717</b>	-	-	<b>2,545,555</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.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds 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 Net Asset Value.

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 and indemnification asset included in level 3.

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

iii) Valuation processes

The carrying amounts of trade payables 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.



The company's activities expose it to market risk, liquidity risk and credit risk. This note explains the sources of risk which the company is exposed to and how the company manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost.	Aging analysis Credit ratings	Diversification of bank deposits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

#### Note 16 - Auditors Remuneration

	(Amount in Rs.)	
	Year ended March 31, 2021	Year ended March 31, 2020
For Services as Auditors	30,000	25,000
For Other Services	-	15,000
For Goods & Services Tax	5,400	-
Reimbursement of out of Pocket Expenses	750	5,085
<b>Total</b>	<b>36,150</b>	<b>45,085</b>

#### Note 17 - Capital management

##### i Dividends

	(Amount in Rs.)	
	31 March 2021	31 March 2020
<b>Equity shares</b>		
Interim dividend for the period ended 31 March 2021 of Rs. Nil (31 March 2020 – Rs. 265) per fully paid share	-	31,800,000





(A) Key Managerial Personnel:

Dr. Lalit S. Kanodia  
Mrs. Asha L. Kanodia  
Mr. Rahul L. Kanodia  
Mr. Sameer L. Kanodia

(B) Joint Venture Company

Cybercom Datamatics Information Solutions Limited

(C) Subsidiary Companies:

Datamatics Global Services Limited (Direct)  
Datamatics Global Services Inc.  
Datamatics Global Technologies Limited  
Datamatics Global Technologies AG  
Datamatics Infotech Limited  
LD Publishing & eRetail Limited (upto 22nd March, 2021)  
Datamatics Global Services FZ LLC  
Datamatics Global Services Pty. Limited  
Datamatics Robotics Software Limited (Stepdown Subsidiary)  
Datamatics Robotics Software Inc (Stepdown Subsidiary)  
Datamatics Global Services Corp. (Stepdown Subsidiary)  
RJ Globus Solutions Inc (Stepdown Subsidiary)  
RJ Globus Inc (Stepdown Subsidiary)  
RJ Globus Solutions Private Limited (Stepdown Subsidiary)  
Cignex Datamatics Corporation (Stepdown Subsidiary) (upto 17th Aug, 2020)  
Cignex Datamatics Technologies Limited (Stepdown Subsidiary) (upto 31st Dec, 2020)  
Cignex Datamatics Inc. (Stepdown Subsidiary) (upto 31st Dec, 2020)  
Cignex Datamatics Pte. Limited (Stepdown Subsidiary) (upto 31st Dec, 2020)  
Cignex Datamatics UK Ltd (Stepdown Subsidiary) (upto 31st Dec, 2020)  
Cignex Datamatics GmbH (Stepdown Subsidiary) (upto 31st Dec, 2020)  
Lumina Datamatics Limited  
Lumina Datamatics Inc. (Stepdown Subsidiary)  
Lumina Datamatics GmbH (Stepdown Subsidiary)  
LDR eRetail Limited (Stepdown Subsidiary)  
Lumina Datamatics Assessment and Analytics, LLC (Stepdown Subsidiary)  
Datamatics Staffing Services Limited (Subsidiary)  
Datamatics Global Services B.V. (Stepdown Subsidiary) (w.e.f. September 13, 2019)

(D) Enterprise owned by Key Managerial Personnel:

Datamatics Business Solutions Limited  
Anemone Management Consultancy Private Limited  
Datamatics Infotech Services Private Limited

Details of transactions with the related parties stated above:

(Amount in Rs.)

Nature of transactions	Refer (A) above		Refer (B) above		Refer (C) above		Refer (D) above	
	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20	2020-21	2019-20
Legal and Professional Fees	-	-	-	-	-	-	42,240	12,100
Datamatics Business Solutions Limited	-	-	-	-	-	-	42,240	12,100
Expenses incurred for related parties	-	-	-	-	-	-	26,845	-
Anemone Management Consultancy Private Limited	-	-	-	-	-	-	26,845	-
Dividend Income	-	-	-	-	-	31,813,742	-	-
Datamatics Global Services Limited	-	-	-	-	-	31,813,742	-	-
Investment in Subsidiary	-	-	-	-	-	19,999,557	-	-
Datamatics Global Services Limited	-	-	-	-	-	19,999,557	-	-
Receivable	-	-	-	-	-	-	26,845	-
Anemone Management Consultancy Private Limited	-	-	-	-	-	-	26,845	-
Payables	-	-	-	-	-	-	2,397,717	2,526,169
Datamatics Business Solutions Limited	-	-	-	-	-	-	21,240	-
Datamatics Infotech Services Private Limited	-	-	-	-	-	-	2,376,477	2,526,169





-Note 19 - Earnings per share

Particulars	March 31, 2021	March 31, 2020
(a) <b>Basic earnings per share</b>		
Net Profit after taxation (in Rs.)	(1,408,014)	31,477,830
Weighted average number of Equity shares	120,000	120,000
Nominal value of Equity shares (in Rs.)	1	1
Basic earnings per share	(11.73)	262.32
(b) <b>Diluted earnings per share</b>		
Net Profit after taxation (in Rs.)	(1,408,014)	31,477,830
Weighted average number of Equity shares	120,000	120,000
Nominal value of Equity shares (in Rs.)	1	1
Diluted earnings per share	(11.73)	262.32

Note 20 - Demerger Note

- i) During the previous year, The Delta Infosolutions Private Limited ("DIPL") is part of a Composite Scheme of Arrangement ("Scheme") between DIPL, Datamatics Infotech Services Private Limited ("DISPL") and their respective shareholders under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder approved by the Board of Directors of the Company on April 27, 2018. The scheme has the appointed date of April 1, 2019.

The scheme inter-alia provides for:

- a) Demerger of demerged undertaking (as defined under the Scheme) of DIPL into DISPL in accordance with Section 2(19AA) of the Income-tax Act, 1961;

Non-strategic Undertaking of Delta	Amount
Investment in Securities	147,219,610
DTA Towards MAT Credit	7,812,791
Other Assets	140,707,983
Less: Liabilities	-
Net Assets in the Demerged Undertaking	295,740,385
Less: Consideration issued upon demerger	120,000
Less: Reserves pertaining to Demerged Undertaking	-
	<b>295,620,385</b>
Add: Capital Reduction of existing share capital as on Effective Date	134,926
Capital Reserve created upon Demerger in the books of DISPL	295,755,311
<b>Net Assets transferred</b>	<b>295,755,311</b>
Less: Reserves pertaining to Demerged Undertaking	-
<b>Capital Reserve created upon Demerger in the books of Delta</b>	<b>295,755,311</b>

- 21 With effect from May 31, 2018 the Company has become a non-systematically important Core Investment Company as referred to in Core Investment Companies (Reserve Bank) Directions, 2016 ("CIC Regulations") pursuant to Para 6 of Master Direction - Exemptions from provisions of RBI Act, 1934 (Master Direction DNBR.PD. 001/03.10.119/2016-17 dated August 25, 2016). Hence it is not required to obtain the CDR u/s. 45IA of the Act.

22 Deferred tax assets

As Per Ind AS 12, "Income Taxes" the Company would have a net deferred tax asset, primarily comprising of business loss under tax laws. However, as the subsequent realization of such amount in near future is not reasonably certain, the management is of the view that it is prudent not to recognize the deferred tax assets. Accordingly, no deferred tax asset amounting to Rs. 3,17,183/- has not been recognised in these financial statements.

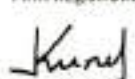
- 23 Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation.

As per our attached report of even date

For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No. 104746W/W100096



Kunal Vakharia  
Partner  
Membership No. 148916



For and on behalf of the Board



Dr. Lalit S. Kanodia  
Chairman  
DIN 0008050



Rahul L. Kanodia  
Director  
DIN 00075801

Place : Mumbai  
Date :



## Commercial Bank

A Division of Citibank, N.A. India

5<sup>th</sup> July 2022

To,

The Board of Directors

**DATAMATICS GLOBAL SERVICES LIMITED**

**Knowledge Centre, Plot No. 58, Street No. 17**

**MIDC, Andheri East Mumbai Bandra Suburban**

**MH 400093 IN**

Dear Sirs,

**Re: Proposed Scheme of Amalgamation between Datamatics Global Services Limited ("Borrower") with its holding company Delta Infosolutions Pvt Ltd ("Transferee Company")**

Citibank N.A. ("**Lender**") has extended a working capital facility of INR 40,00,00,000/- (Rupees Four Hundred Million only) (the "**Facility**") to the Borrower, vide facility agreement dated 30<sup>th</sup> June 2016 and has created a First Pari Passu charge on current assets and moveable fixed assets both present and future, the outstanding against which, as of date are INR 40,00,00,000/- (Rupees Four Hundred Million only).

The Lender has been requested, vide letter dated 05<sup>th</sup> July 2022, to accord its approval for the amalgamation of the Borrower with Transferee Company, as per the draft Scheme of Amalgamation ("**Scheme**") to be filed before the Hon'ble Mumbai High Court pursuant to Sections 391 to 394 and other applicable provisions of the Companies Act, 1956.

The Lender has perused the Scheme and, subject to the Borrower obtaining all consents required (whether statutory, regulatory, judicial or contractual, and fulfillment of all conditions that may be specified therein), the Lender has no objection to the captioned amalgamation, to be effected in accordance with the terms of the Scheme and on the express understanding that amalgamated entity shall continue to be contractually bound to the Lender and shall discharge any and all liabilities of the Borrower with regard to the Facility.

The Lender also gives its consent to dispense with the holding of the meeting of the creditors of the Borrower. However, if a meeting is convened as per the directions of or in accordance with an order of any competent authority and/or by any other creditor, the Lender reserves the right to attend and be heard at such meeting.

Yours faithfully,

For Citibank N.A.

Authorised Signatory





## **Annexure D**

**Details of scheme of arrangement concerning DGSL in the last five years:**

- 1. Composite Scheme of Arrangement (“Scheme”) executed between Delta Infosolutions Private Limited (“DIPL/Demerger Company/Residual Transferor Company”) and Datamatics Infotech Services Private Limited (“DISPL / Resulting Company”) and Datamatics Global Services Limited (“DGSL / Transferee Company”) – Delta Scheme**

### **Structure of the Scheme**

- a. demerger and vesting of the Demerged Undertaking of Delta into DISPL;
- b. amalgamation and vesting of the Residual Transferor Company i.e. Delta (upon demerger and vesting of the Demerged Undertaking of Delta into DISPL becoming effective) into DGSL.

The Board of Director at their meeting held on April 27, 2018 subject to obtaining the requisite approvals/consents, approved the Composite Scheme of Arrangement under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited, Datamatics Global Services Limited and their respective shareholders.

As per the directions of the National Company Law Tribunal, Mumbai Bench, Meeting of the equity shareholders of the Company was held on Thursday, May 09, 2019 at Mumbai to approve the Composite Scheme of Arrangement.

The requisite majority required under the SEBI Circulars for approval of the Scheme was not obtained since the votes cast by the public shareholders of DGSL in favour were less than the votes cast against the same. Hence, the Scheme was withdrawn and necessary application with Stock exchanges and other regulatory authorities for withdrawal of the Scheme was filed.

- 2. Composite Scheme of Arrangement (“Scheme”) executed between Lumina Datamatics Limited (“LDL / Transferor Company” for Part II of the Scheme) and LDR Retail Limited (“LDR / Resulting Company” for Part III of the Scheme) and Datamatics Global Services Limited (“DGSL / Transferee Company / Demerged Company”) for Part II of the Scheme or “Demerged Company” for Part III of the Scheme) – Lumina Demerger Scheme**



## Structure of the Scheme

- a. Amalgamation and vesting of Lumina Datamatics Limited (“Transferor Company” for Part II of the Scheme) with and into Datamatics Global Services Limited (“Transferee Company” for Part II of the Scheme); and
- b. Upon amalgamation and vesting of Lumina Datamatics Limited with and into Datamatics Global Services Limited becoming effective, demerger and vesting of Demerged Undertaking of Datamatics Global Services Limited (“Demerged Company” for Part III of the Scheme) into LDR ERetail Limited (“Resulting Company” for Part III of the Scheme), on a going concern basis.

The Board of Director at their meeting held on December 14, 2018, subject to obtaining the requisite approvals/consents, approved the Composite Scheme of Arrangement under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder between Lumina Datamatics Limited, Datamatics Global Services Limited, LDR ERetail Limited and their respective shareholders (hereinafter referred to as “**Lumina Demerger Scheme**”).

Lumina Demerger Scheme was conditional upon approval of a separate Composite Scheme of Arrangement (as mentioned in Point 1 above referred as **Delta Scheme**).

Since the requisite majority required under the SEBI Circulars for approval of the Delta Scheme was not obtained, the Company had no option but to withdraw the Lumina Demerger Scheme.

### **3. Scheme of Amalgamation of Datamatics Digital Limited (“DDL/ Transferor Company”), a Wholly Owned Subsidiary with and into Datamatics Global Services Limited (“DGSL/Transferee Company”)**

## Rationale of Scheme

The rationale for the Scheme of Amalgamation was to integrate business carried on by both the companies, economies of scale due to synergies of operations, effective coordination and better control over the activities, rationalization and standardization of business processes, consolidation and simplification of DGSL group structure and reduction of administrative costs at DGSL group level etc. Since the entire issued, subscribed and paid-up share capital of DDL is directly or indirectly held by the Company, no shares are required to be issued by the Company to the shareholders of DDL.

In accordance with the directions issued by the Hon’ble National Company Law Tribunal, Mumbai Bench (‘NCLT’) vide its Order dated 20th February, 2020, meeting of equity shareholders and unsecured creditors of DDL and DGSL has been dispensed with. Further, meeting of secured creditors is dispensed in the light of consent affidavit dated 10<sup>th</sup> January, 2020 given by Secured Creditors of DGSL.

The National Company Law Tribunal, Mumbai Bench (‘NCLT’) vide its Order dated November 6, 2020 had approved the Scheme of Amalgamation and the merger became effective from December 7, 2020.

