Datamatics Global Services Limited

Regd. Office :
Knowledge Centre, Plot No. 58, Street No.17, MIDC,
Andheri (East), Mumbai - 400 093. INDIA
Tel. : +91 (22) 6102 0000/1/2 • Fax : +91 (22) 2834 3669
CIN : L72200MH1987PLC045205
www.datamatics.com

DATAMATICS®
Data to Intelligence

September 19, 2017

To,

Corporate Communication Department
BSE Limited
Phiroze Jeejeeboy Towers
Dalal Street, Mumbai – 400 001

Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East) Mumbai 400 051

Subject: Annual Report for the financial year 2016-17
NSE Code: DATAMATICS | BSE Code: 532528

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Annual Report of the Company for the financial year 2016-17, duly approved and adopted by Members of the Company at the 29th Annual General Meeting held on Thursday, September 14, 2017 at 11.00 a.m at Indian Merchant Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.

The Annual Report is also displayed on website of the Company (www.datamatics.com).

Kindly take the above on your record.

Thanking you,

For **Datamatics Global Services Limited**

DATAMATICS GLOBAL SERVICES LIMITED ★ MUMBAI

Divya Kumat
Executive Vice President,
Chief Legal Officer & Company Secretary

COGNITIVE SYSTEMS & SMART AUTOMATION

The Next Wave of Business Transformation



Annual Report 2016-17

DATAMATICS®
Data to Intelligence

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ANNUAL REPORT 2016-17

CORPORATE INFORMATION

REGISTERED OFFICE
Knowledge Centre
Plot No. 58, Street No. 17,
Andheri (East)
Mumbai – 400 093
Tel: +91 (22) 6102 0000 – 0005
Fax: +91 (22) 2834 3669

CORPORATE INDENTIFICATION NUMBER (CIN)
L72200MH1987PLC045205

REGISTRAR & SHARE TRANSFER AGENTS
Datamatics Financial Services Limited
Plot No. B-5, Part B, Cross Lane
MIDC, Andheri (East)
Mumbai – 400 093
Tel: +91 (22) 6671 2151
Fax: +91 (22) 6671 2230
Email: *depository@dfssl.com*

SENIOR VICE PRESIDENT - LEGAL & COMPANY SECRETARY
Divya Kumat

AUDITORS
M/s. Kanu Doshi Associates LLP
Chartered Accountants, Mumbai

SOLICITORS
M/s. Crawford Bayley & Co
Chambers of Amir Arsiwala

BANKERS
Citi Bank
ICICI Bank Limited
HDFC Bank Limited
Standard Chartered Bank







COGNITIVE SYSTEMS & SMART AUTOMATION

The Next Wave of Business Transformation.

We are witnessing an exciting era, where Artificial Intelligence is paving the way for Smart Automation. The resultant platform is a smart convergence of some of the most phenomenal technologies of today. The intelligence imparted to enterprise systems can extract information from voluminous data and derive insights to provide superior customer service.

Man-made machine intelligence is creating a path for the next chapter of Digital Revolution. It has the ability to automate complex workloads and simulate deep human thinking. It can unearth insights, patterns, and opportunities hidden in data recesses for developing new products and services and take customer engagement to the next level. A confluence of exponential data growth, fast distributed systems, artificial intelligence and smart automation is driving the revolution. This convergence will drastically change the business scene in the next five years.

Robotics continues to accelerate innovation, thereby disrupting and changing the paradigm of business operations across industries. With this, we are focusing towards embracing this change and assessing ways to leverage on robotics. This will sharpen a company's competitive advantage and make it more agile, leading to an enhanced experience for all stakeholders.

Today, Smart Automation and Exponential Technologies are impacting the way the world conducts business, leading to higher productivity, greater efficiency, improved speed and reduced costs.

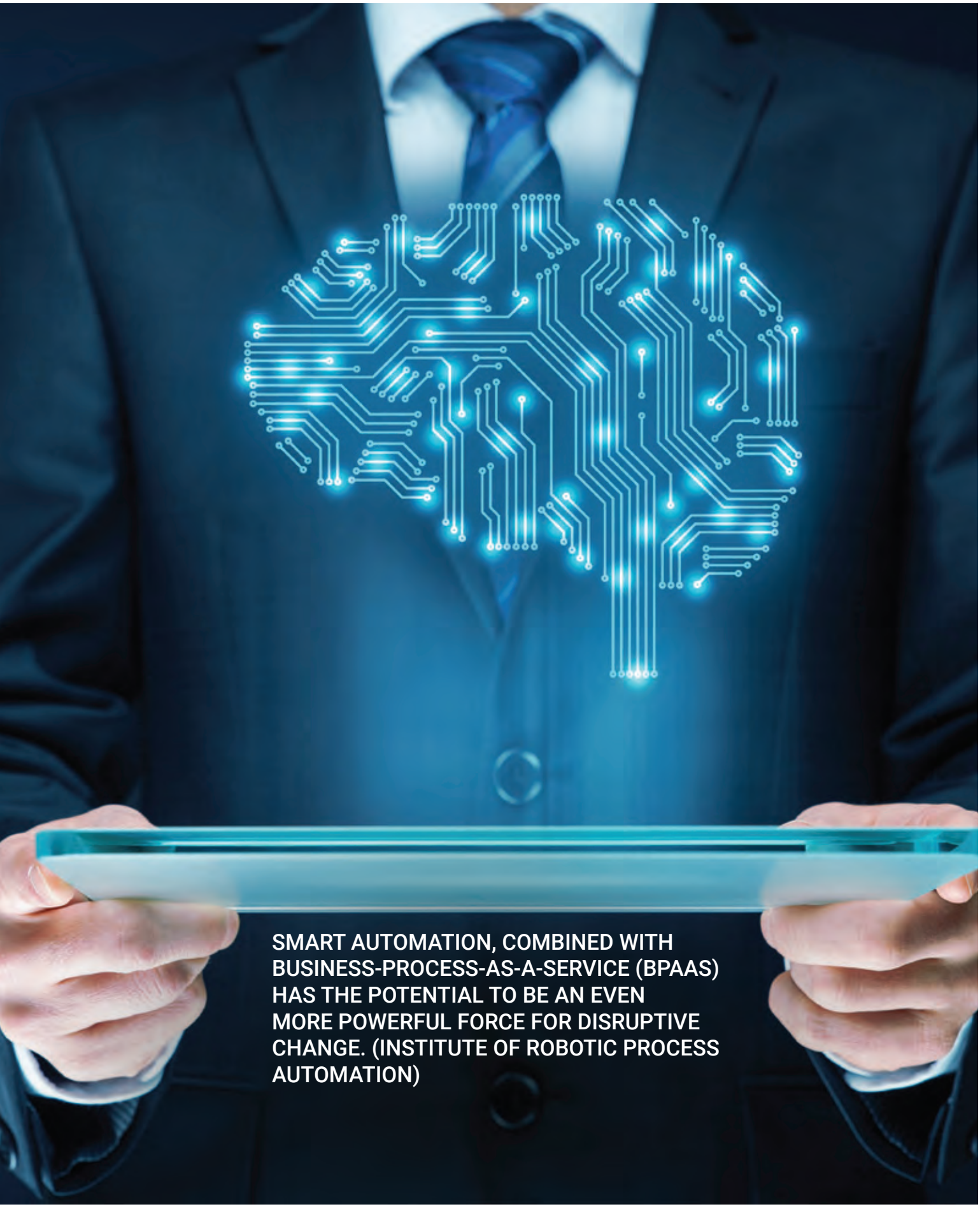
50-60%
Estimated reduction in process time through Smart Automation (Mckinsey & Company)

70%
Estimated cost reduction using Smart Automation (Workfusion)

45%
Proportion of fastest growing firms to have smart machines by 2018 (Gartner)

60%
Share of digital workforce will depend on cloud-based software by 2020 leading to the formation of a robotics cloud marketplace (IDC)

30%
Of all new robotic deployments by 2018 will be smart and collaborative robots that operate three times faster than today's robots and are safe to work around humans (IDC)


SMART AUTOMATION, COMBINED WITH BUSINESS-PROCESS-AS-A-SERVICE (BPAAS) HAS THE POTENTIAL TO BE AN EVEN MORE POWERFUL FORCE FOR DISRUPTIVE CHANGE. (INSTITUTE OF ROBOTIC PROCESS AUTOMATION)

COMPANY OVERVIEW

Datamatics is a global provider of Information Technology, Data Management, Business Process Management and Consulting services to several Fortune 500 companies.

Datamatics has a fully integrated offering to support the digital transformation of organizations through Smart Processes, Smart Systems, Smart Devices and Smart Data. These solutions are powered by Robotics, Artificial Intelligence and Machine Learning algorithms which offer improved business efficiency in the interconnected world.

The core operation of Datamatics is built around "Data to Intelligence", where the Company leverages data to extract intelligence and patterns thereby facilitating smarter and quicker decision making.





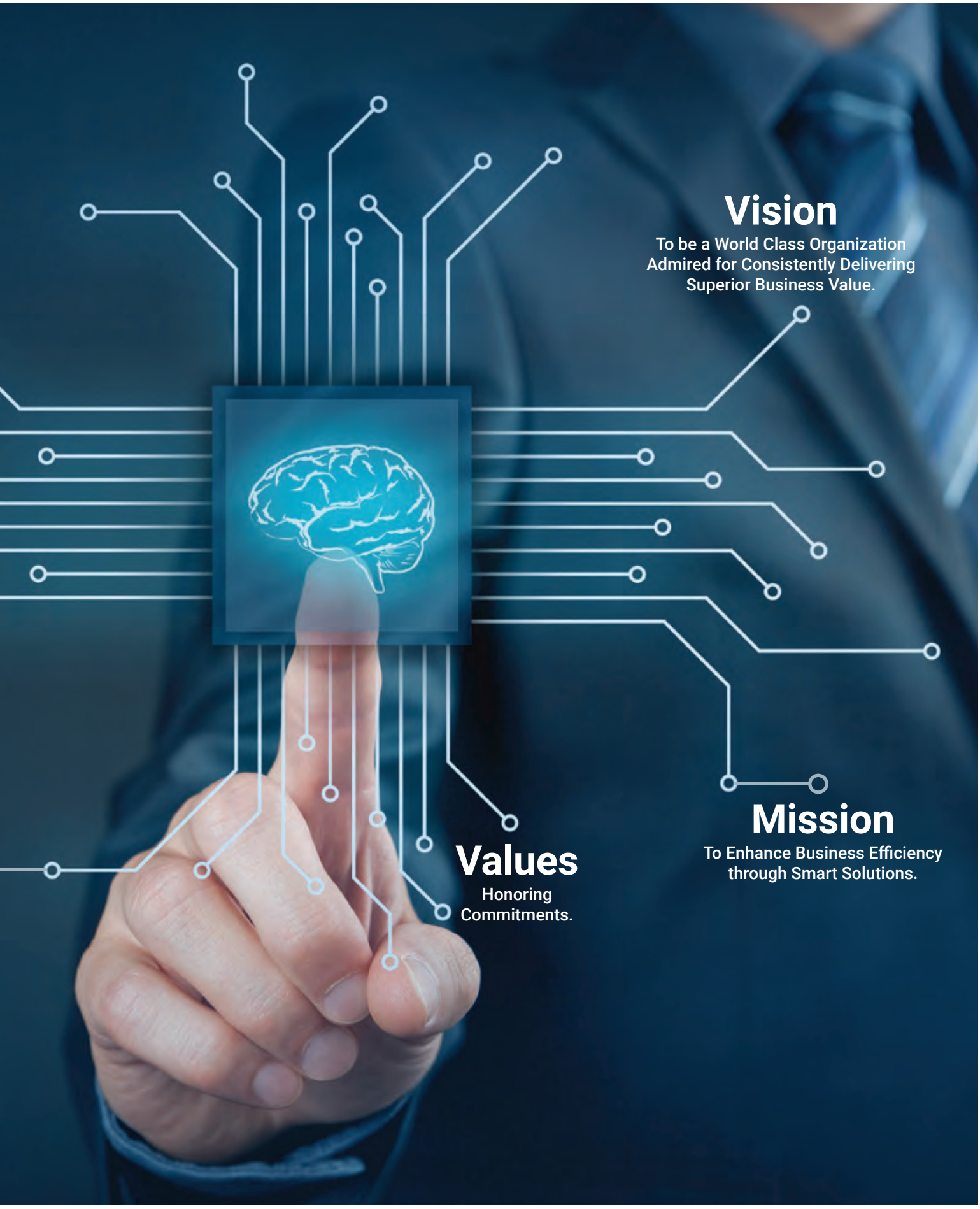
Caters to clients across America, Australia, Middle-East, Asia and Europe



8,700+ Employees



Over 400 customers, some of which are Fortune 500 Companies



Vision

To be a World Class Organization Admired for Consistently Delivering Superior Business Value.

Mission

To Enhance Business Efficiency through Smart Solutions.

Values

Honoring Commitments.

AWARDS & RECOGNITIONS

COMPANY AWARDS



Accredited with the CIO Choice 2017 Honour & Recognition title across three categories - Document Management Services, Business Intelligence Solutions and Emerging Technology (RPA)

ICICI PRUDENTIAL LIFE INSURANCE

Recognized as the 'Best Service Provider' at the ICICI Prudential TATVA Awards 2017 for three key processes – Policy issuance, Policy Servicing and Financial Servicing (FINTRANS)

BIG DATA ANALYTICS & INSIGHTS SUMMIT

Recognized with the 'Excellence in Industry Application (Manufacturing)' award at the Big Data, Analytics and Insights Summit

Grant Thornton
An instinct for growth

CII
Confederation of Indian Industry

Awarded as the "Fastest Growing Indian Company", "Fastest Growing Technology Company" and "Fastest Growing New Entrant" in the '4th India meets Britain Tracker 2017' report, released by Grant Thornton and Confederation of India Industry

Tata Institute of Social Sciences - Leapvault
CLO Awards India

Learning & Development team received the prestigious 'TISS – Leap Vault CLO' award (Silver) in the Game Based Learning category

THE ASIAN BANKER
STRATEGIC BUSINESS INTELLIGENCE FOR ASIA'S FINANCIAL SERVICES COMMUNITY

Conferred The Asian Banker Technology Innovation Award 2017 for the Most Innovative Application for Robotics



INDIVIDUAL AWARDS

Rahul Kanodia, Vice Chairman & CEO of Datamatics Global Services Ltd. was voted as the 'Highest Ranking Leader amongst the CEOs of Top IT Companies' on Owler, a crowd sourced competitive intelligence platform.

Alok Kumar Jha, Senior Vice President & Global Head - HR and CSR received the 'Most Innovative HR Technology Leader' award as well as the 'Most Impactful CSR Leader' award at the 25th World HRD Congress.

Divya Kumat, Company Secretary & Sr. Vice President - Legal was featured in the 'GC Power List: India' published by The Legal 500.

Priyam Vyas, Head - Talent Acquisition, received the Global Talent Acquisition Leaders Award at the World HRD Congress.

Sajid Patel, AVP & Head - Learning & Development and Employee Relations was recognized amongst the '100 Most Talented Training and Development Leaders in India' by the World Training and Development Congress.

Varad Kamini Arora was acknowledged in the '50 Most Influential Global Marketing Leaders' list by the World Marketing Congress.

CHAIRMAN'S MESSAGE



THIS HAS ALSO BEEN A YEAR OF RENEWED PARTNERSHIPS AND FORGING NEW ALLIANCES, AS WE EXPAND OUR HORIZONS TO NEW FRONTIERS IN EMERGING TECHNOLOGIES.

Dear **Shareholders,**

It is my pleasure and privilege to share an overview of your Company's performance and the way forward. I would like to take this opportunity to congratulate all our stakeholders for a good year and an exciting beginning to several new initiatives.

The global business environment has been challenging and the changing economic conditions have kept all industries on their toes. It is therefore important for all of us to be increasingly agile and nimble to deal with uncertainties. I believe that every

WITH THE GROWING DEMAND OF NEW DIGITAL TECHNOLOGIES AND THE DOMINANCE OF THE IT SECTOR, YOUR COMPANY IS WELL POSITIONED TO DIFFERENTIATE ITSELF TO CAPTURE THIS OPPORTUNITY AND BE AHEAD OF THE CURVE.

challenge brings with it new opportunities and with that comes new risks; but it is for us to seize these opportunities.

With the growing demand of new digital technologies and the dominance of the IT sector, your Company is well positioned to differentiate itself to capture this opportunity and be ahead of the curve.

Today, the world is moving towards Smart Automation, which forms the basis of our digital solutions. In my earlier communications, I have spoken about cloud, big data and analytics, social, and mobility. These are causing disruption and introducing new and dynamic business models. Organisations are continually looking to navigate through advanced technologies that will transform their core business processes. Datamatics has leveraged on this disruption, by offering customised solutions in emerging technologies.

Your Company witnessed stable growth during the year, with prudent investments in the emerging technologies space, strategic partnerships, and growth in our subsidiaries. On a consolidated basis, your Company achieved 6.2% Y-o-Y growth in gross revenues with cumulative per-share earnings of ₹ 15.24 as against ₹ 7.45 in FY2015-16. Your Company witnessed an overall increase in net income after the exceptional items to the tune of ₹ 453 million (₹ 901.31 million in FY2016-17 as against ₹ 448.32 million in FY2015-16), which is more than 100%, with an overall increase in net income excluding the exceptional items by 41%.

This has also been a year of renewed partnerships and forging new alliances, as we expand our horizons to new frontiers in emerging technologies. Keeping in mind the upcoming trends in IT, Datamatics endeavours to create new business opportunities and invest in niche technologies in order to service a wider consumer demographic.

Our employees, who are the true brand ambassadors of your Company, have played a pivotal role in this success. It is therefore important to appreciate their contribution and also help them upskill their capabilities. I am happy to share that Datamatics has further accentuated its Learning and Development platform by introducing new training programmes and e-learning modules. Your Company's contribution towards its employees has also been acknowledged by the World HRD Congress by conferring with the award of the Most Innovative HR Technology Leader of the Year.

CIGNEX Datamatics was also felicitated at the India Human Capital Summit and Awards in two categories - Best Change Management Strategy and Best Employee Value Proposition Plan. It was also certified as a 'Great Place to Work' by the Great Place to Work Institute.

I have always believed that capable leadership and strong corporate governance play a critical role in the ability of companies to effectively focus, develop and create value for its shareholders, customers, employees and the communities wherein they do business. Our actions and initiatives demonstrate that Datamatics is on the same path.

With our operations centered around 'Data to Intelligence', your Company will continue to build efficiencies and drive incremental growth, by aligning the core strategies with the goals and aspirations of our customers.

As we stride towards a brighter future with higher ambitions, I would like to thank all our stakeholders for their valuable support, continued trust and guidance. I look forward to yet another successful year and invite you to join us in our digital journey for the future.

Yours Sincerely,

Dr. Lalit S. Kanodia
Ph.D, M.I.T (USA)
Chairman

MESSAGE FROM THE VICE CHAIRMAN AND CEO



WE REMAIN COMMITTED TOWARDS INNOVATING AND EXPANDING OUR ENTERPRISE OFFERINGS TO HELP OUR CUSTOMERS MAINTAIN A COMPETITIVE EDGE BY GAINING BUSINESS INSIGHTS.

Dear **Shareholders,**

Digital technologies are at the forefront of the current wave of disruption, and it is important for businesses to embrace these opportunities to evolve further. Digitalisation, a super-set of Social, Mobility, Analytics, and Cloud (SMAC), along with Robotics and Artificial Intelligence has become a core driver of disruption.

WE HAVE MADE THE RIGHT MOVES OVER THE PAST FISCAL TOWARDS DELIVERING INNOVATIVE PRODUCTS AND SOLUTIONS THAT OUR CUSTOMERS NEED, AT A FASTER PACE THAN EVER BEFORE.

The need for enterprises to transform and grow is inevitable, not only to gain a competitive advantage but also attract and retain customers, reduce operational costs and remain relevant in this ever-changing environment. This digital revolution has generated huge amounts of data, and it is imperative to leverage the power of data to derive better business insights.

Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers by offering smart solutions that will enable them to make more informed decisions. Going forward, the key thrust area for Datamatics in FY2017-18 will continue to revolve around accelerating innovation through Cognitive Systems and Automation; as well as towards creating new proprietary products around Robotics, Analytics, Cloud and Mobility.

Reflecting on the past year, while we are pleased with what we have achieved, there is a lot more to accomplish in the years to come. The financial year 2016-17 has witnessed balanced growth across focused verticals, geographies and business lines as Datamatics sought new opportunities for digital transformation. We attribute this success to our fundamental belief of aligning our business goals and objectives with those of our customers. Our emphasis on account mining has also shown a positive movement.

This year our revenue, including our wholly owned subsidiaries, as well as joint ventures grew by 10%. Our consolidated revenue increased to ₹ 8,671.24 million, up by 6.2% against FY2015-16. Datamatics gained significant strength in some of the key business segments including Automated Fare Collection, Analytics and Mobility to name a few. To support the growing business of our clients, Datamatics has successfully invested in new domestic and international facilities, including an office in Kansas City, a subsidiary in Philippines and has ramped up operations in Puducherry.

Apart from our financial performance, I am also pleased to share that Datamatics has received several awards and recognitions across national and international platforms during the year. Three of our products – iQ, nSights and TruBot received recognition for the second consecutive year from the CIO and IT decision-maker community under the Document Management, Business Intelligence and Emerging Technology (for RPA) categories, respectively. Datamatics was also recognised as the 'Fastest Growing Indian Company' in UK in a report jointly published by Grant Thornton and the Confederation of Indian Industry.

These results and successes would not have been possible without the dedication and commitment of our employees. The HR team is strategically aligned to our businesses and acts as internal consultants to understand the requirements of every business from a talent and development perspective.

Datamatics, in FY2017-18, will continue its focus on strategic priorities both internally as well as externally that will drive profitable growth. We are excited to build on the momentum we have generated over the past fiscal year and for the opportunities that lie ahead. We remain committed towards innovating and expanding our enterprise offerings to help our customers maintain a competitive edge by gaining business insights.

As global businesses aspire to become Smart Enterprises by accelerating the adoption of digital technology, Datamatics is very well positioned to capture this opportunity. We have made the right moves over the past fiscal year towards delivering 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, deep understanding of the customer landscape, technology investments and IPs combined with our global scale, will enable us to make significant impact in the Digital world.

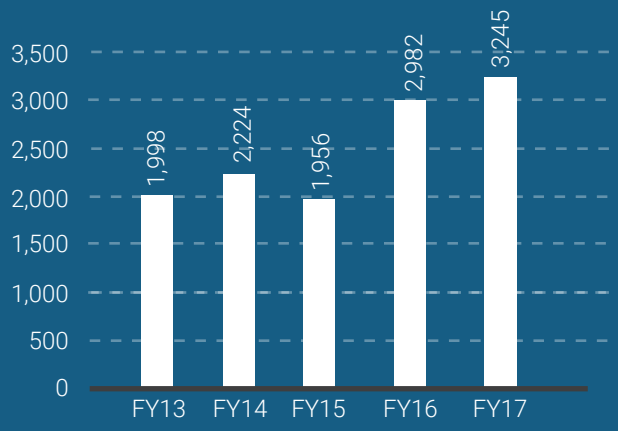
We take this opportunity to thank our valued stakeholders, including shareholders, clients, partners and our employees, for their continued support and being an integral part of our growth journey.

Yours Sincerely,

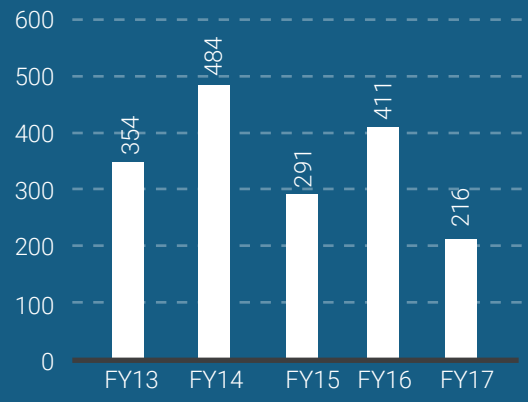
RAHUL L. KANODIA
Vice Chairman & CEO

FINANCIAL HIGHLIGHTS
STANDALONE

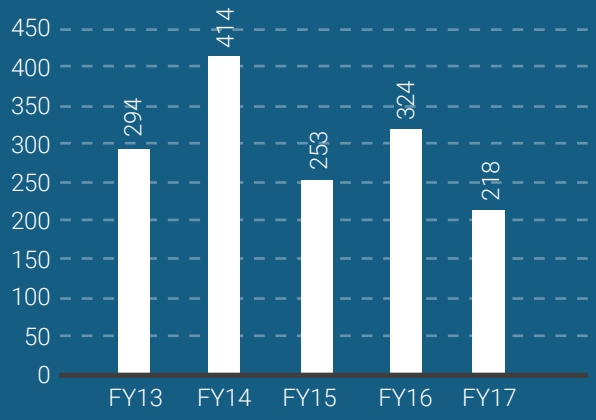
Revenue and Other Income
(₹ in Million)



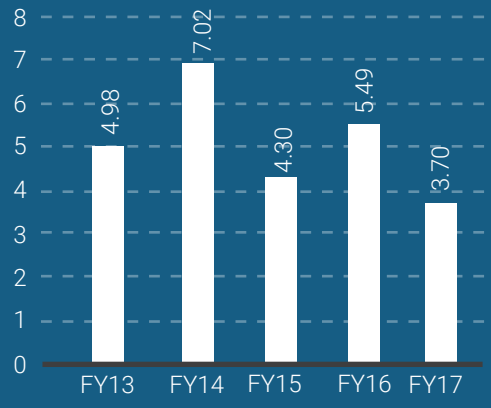
PBT
(₹ in Million)



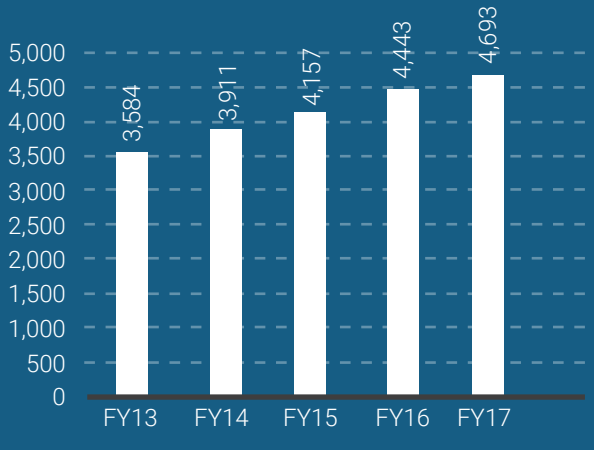
PAT
(₹ in Million)



EPS
(₹ per share)

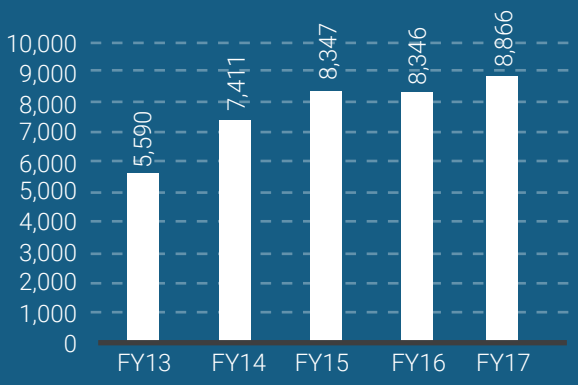


Net Worth
(₹ in Million)

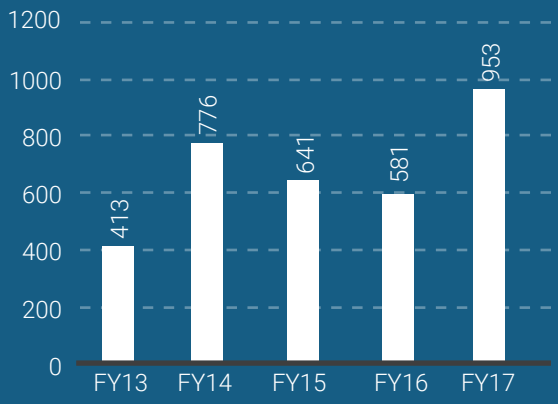


FINANCIAL HIGHLIGHTS
CONSOLIDATED

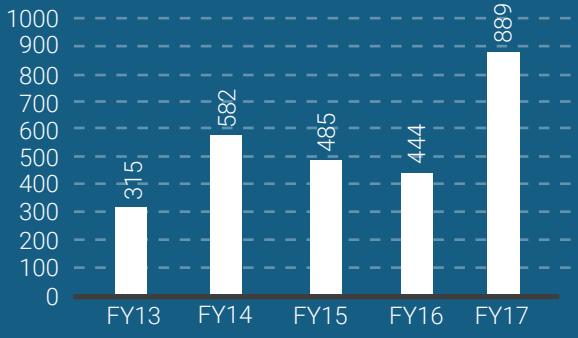
Revenue and Other income
(₹ in Million)



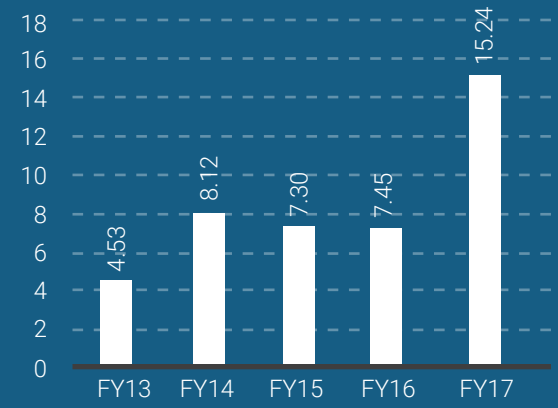
PBT
(₹ in Million)



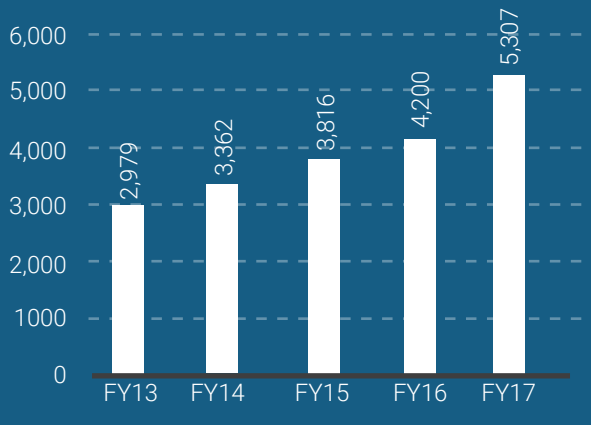
PAT
(₹ in Million)



EPS
(₹ per share)



Net Worth
(₹ in Million)



THE YEAR GONE BY

The role of digital technology is rapidly changing, from being a driver of marginal efficiency to an enabler of fundamental innovation and disruption. The IT industry has led the economic transformation of the country and altered the perception of India in the global economy.

It has been a good year for Datamatics as it has witnessed increased interest and investment in Robotics, Advanced Analytics, Cognitive Technologies such as Artificial Intelligence, Machine Learning and Pattern Detection, IoT, Cloud and Mobility.

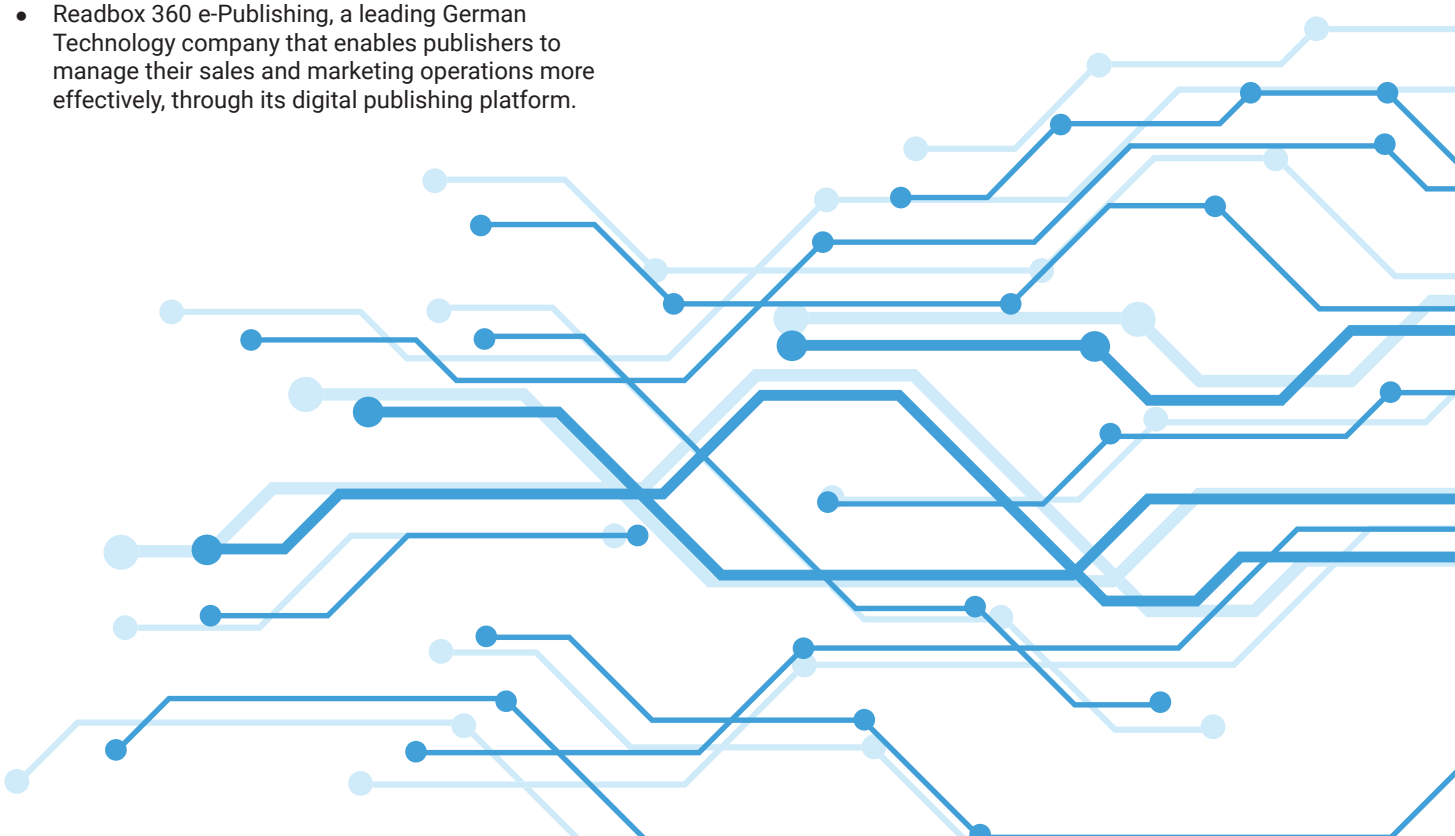
FY 2016-17 has been a fruitful year. In a bid to expand its global footprint, the Company has successfully invested in new domestic and international facilities. The expansion plans were fuelled by a healthy ratio of wins, through multiple large contracts, globally, especially in the BFSI, Manufacturing and Transport & Logistics sectors. Furthermore, the Company received several awards and recognitions across various national and international platforms, which is testimony to our smart solutions and customized offerings.

As you are aware, Lumina Datamatics is a trusted partner for several leading companies in the global publishing and retail industries, addressing their needs for content, technology and commerce. This financial year, the Company entered into partnerships with two niche technology companies:

- Readbox 360 e-Publishing, a leading German Technology company that enables publishers to manage their sales and marketing operations more effectively, through its digital publishing platform.
- HandyTrain Technologies, a leading mobile training platform provider that facilitates seamless training through mobile phones between corporates and their employees.

On the other hand, CIGNEX Datamatics, a subsidiary of Datamatics Global Services Ltd., is a Michigan based global consulting company offering solutions, services and platforms in Open Source, Cloud and Automation. The Company signed three deals this year to further enhance their offerings.

- Signed an agreement with Duo Consulting, a Chicago based digital marketing firm that specializes in Drupal based solutions, which includes creating content-rich responsive websites, experience design, digital marketing, content and digital communication.
- Partnered with Elevondata, a Chicago based next generation global data services and solutions company, using the principles of Big Data, Open Source, and Cloud to provide faster and cost effective data solutions.
- Signed an agreement with Attune Worldwide, an IT and infrastructure solutions provider delivering services with a focus on Open Source including consulting, migration, integration and trainings.



HIGHLIGHTS

Earned a sizeable Automatic Fare Collection (AFC) contract for a Metro Rail project in consortium with a leading Czech electronics company. Vide this project, the Company has set up AFC systems at 8 stations on the metro rail.

Launched i-Mobile, a mobile application development platform (MADP) that helps you extend your enterprise software to the mobile world. It enables organizations to access, view, inspect and manage relevant information in real-time from remote locations.

Ramped up its operations in Puducherry with state-of-the-art facilities to support the growing business of its global clients.

Starting business operations in Kansas City and has recently incorporated a new entity Datamatics Global Services Corp. in Philippines with the objective of increasing its footprint in South East Asia and further expand the client base.

BOARD OF DIRECTORS



DR. LALIT S. KANODIA
CHAIRMAN & WHOLE TIME DIRECTOR

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. His inspirational leadership has led Datamatics to be conferred with various prestigious awards and recognitions over the years.

Dr. Kanodia is the President of the IMC Chamber of Commerce & Industry and the Indo American Chamber of Commerce (IACC). He was also the Honorary Consul General of Chile in Mumbai, India for over a decade (2002 – 2014).

Dr. Kanodia is currently on the Executive Board of MIT (Europe, Asia and Africa). After obtaining a 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).



MR. RAHUL L. KANODIA
VICE CHAIRMAN & CEO

Rahul Kanodia is the Vice Chairman and CEO of Datamatics Global Services Ltd. Rahul has over 25 years of work experience and has held several progressively senior and leadership positions. He has been the Chief Architect for re-positioning and transforming Datamatics from a service led organization to a solutions organization focused on enhancing business productivity through smart automation of data driven processes. He has also been driving the Company's foray into new geographies.

Rahul serves as the Chairman for the Western Region of ESC (Electronics and Computer Software Export Promotion Council). He is a member of NASSCOM's Regional Council and is on the board of various other companies and universities.

Rahul holds an MBA degree from Columbia University (USA), with a major in Business Strategy & Marketing and a minor in Mergers & Acquisitions and Turnaround Management. He has 2 Bachelor's degrees from H. R. College (India), with specialization in Finance & Accounting, and Babson College (USA), with specialization in Management Information Systems.



MR. SAMEER L. KANODIA
EXECUTIVE DIRECTOR

Sameer received his Bachelors of Science in Business Administration degree from Bryant University, USA, with a major in Marketing. He was on the Dean's List throughout the academic program and graduated with Honors. Sameer subsequently did his Masters in Business Administration from Bryant University with a major in Finance.

Sameer has more than 20 years of experience and drives various strategic initiatives, expansion plans and go-to-market strategies for the Company. He has managed several large and complex projects. He set up and now oversees the operations in Nashik and Puducherry. Under Sameer's able leadership, Datamatics has become the 7th largest employer in Nashik.

Sameer has been a Member of the Board of Trustees at his alma mater, Bryant University, since 2008. He has been a member of the IT Committee at the Indian Merchant's Chamber, Mumbai, since 2010. He has been a member of the Association of Governing Boards (AGB) of Universities and Colleges, USA, since 2012.



MRS. ASHA L. KANODIA
DIRECTOR

Mrs. Asha L. Kanodia is an Arts graduate in Psychology from the University of Mumbai. She studied Social Psychology at Massachusetts Institute of Technology (MIT), Boston, (USA). She has also completed several part time courses while in England at the Stanhope Institute. Mrs. Kanodia is an Interior Designer. She has designed most of Datamatics offices. She has over 40 years of experience in Interior Designing.



MR. DILIP D. DANDEKAR
DIRECTOR

Mr. Dilip Dandekar is the Chairman of Kokuyo Camlin Ltd and Camlin Fine Sciences Ltd. He holds a Government Commercial Diploma. 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 (FICCI). He is currently the Honorary Consul of Mongolia, Mumbai. He has over 45 years of experience in the field of marketing, administration and overall management of companies.



MR. R. K. SARASWAT
DIRECTOR

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



MR. SHAHZAAD S. DALAL
DIRECTOR

Mr. Shahzaad Dalal is the Former Vice Chairman, IL&FS Investment Managers Ltd (IIML), one of India's leading Private Equity Fund Managers with assets under management of $3.2 billion. He guides corporates through their growth plans and other strategic developments, and advises on exits through a range of methods, including IPOs and strategic sales. Mr. Dalal is a Management Graduate from the USA.



MR. SUDHIR C. DESHPANDE
DIRECTOR

Mr. Sudhir Deshpande has over 45 years of experience in engineering design. He is an established geotechnical consultant specializing in soil / rock testing techniques. He is also engaged in conservation engineering related to heritage and archaeological structures, and is a winner of the UNESCO Asia Pacific Heritage Award of Merit.

Mr. Deshpande has an M.Phil. (Mechanical Engineering) from King's College, University of London and a Certificate of Post Graduate Study in Engineering from University of Cambridge, UK. Mr. Deshpande holds a degree in Engineering (Civil) from the University of London.



MR. VINAY M. AGGARWAL
DIRECTOR

Mr. 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). Mr. Vinay Aggarwal 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 &
Chief Executive Officer



ALOK KUMAR JHA
Global Head - HR & CSR



BRAJESH UGRA
President - Global Sales



DIVYA KUMAT
Senior Vice President -
Legal & Company Secretary



NAVIN GUPTA
Global Head - BPO Delivery
Services



SACHIN RANE
Global Head - IT Delivery
Services



SANDEEP ARORA
Head - Consulting & Advisory Practice



SANDEEP MANTRI
Chief Financial Officer



SANJEEV SUBHEDAR
Global Head - Engineering Solutions



SANJEET BANERJEE
SVP & Head – Artificial Intelligence & Cognitive Sciences



SHASHI BHARGAVA
Global Head - Solutions Group



VARAD KAMINI
Global Head - Marketing & Communications

BOARD'S REPORT

On behalf of the Board of Directors, I am happy to present the 29th Board's Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2017.

FINANCIAL PERFORMANCE

Your Company's financial performance for the year ended March 31, 2017 as compared to the previous financial year ended March 31, 2016 is summarized below:

Particulars	Consolidated (₹ in Million)		Standalone (₹ in Million)	
	2016-17	2015-16	2016-17	2015-16
Revenue from operations	8,671.24	8,161.78	3,057.12	2,816.09
Other Income	195.09	135.92	188.35	122.79
Total Income	**8,866.33**	**8,297.70**	**3,245.47**	**2,938.88**
Profit before Interest, Depreciation and Tax	1,003.53	868.60	546.66	606.91
Interest	48.43	66.61	37.59	55.27
Profit before Depreciation and Tax	955.10	801.99	509.07	551.64
Depreciation	273.37	269.28	138.71	123.39
Exceptional / Extraordinary item	(271.08)	(48.59)	154.11	17.07
Profit Before Tax	**952.81**	**581.30**	**216.25**	**411.18**
Provision for Taxation	63.72	137.55	(2.04)	87.66
Profit After Tax	**889.09**	**443.75**	**218.29**	**323.52**
Balance Brought Forward from Previous Year	1,665.03	1,184.96	1,657.70	1,384.78
Profit Available for Appropriation	2,566.34	1,733.41	1,875.99	1,708.30
Dividend	0	56.81	0	44.21
Tax on Dividend	0	11.57	0	6.39
Transfer to General Reserve	0	0	0	0
Balance Carried Forward	**2,566.34**	**1,665.03**	**1,875.99**	**1,657.70**

OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Your 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. .

On a Consolidated basis, your Company achieved revenue from operations of ₹ 8671.24 million as compared to ₹ 8161.78 million in the previous year. The profit after tax for the current year was ₹ 889.09 million as against ₹ 443.75 million in the previous year.

The revenue from operations on a standalone basis is ₹ 3,057.12 million as compared to ₹ 2816.09 million in the previous year. The profit after tax for the current year was ₹ 218.29 million as against ₹ 323.52 million in the previous year.

DIVIDEND

Your Board of Directors has recommended final dividend of ₹ 0.75 (15%) per Equity Share of ₹ 5 each for the financial year ended march 31, 2017, subject to approval of members at the ensuing Annual General meeting.

TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013 ("the Act"), any unclaimed or unpaid Dividend relating to the financial year 2009-10 is due for transfer on September 11, 2017 to the Investor Education and Protection Fund established by the Central

BOARD'S REPORT

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

ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits during the financial year 2016-17 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, 2017:

1. Cybercom Datamatics Information Solutions Limited
2. Lumina Datamatics Limited
3. CIGNEX Datamatics Technologies Limited
4. LDR eRetail Limited
5. LD Publishing & eRetail Limited
6. Attune Infocom Private Limited (w.e.f September 13, 2016)
7. Scalsys Technologies Private Limited (w.e.f January 04, 2017)

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2017:

1. Datamatics Global Services, Inc. (US)
2. Datamatics Global Services GmbH (Germany)*
3. Datamatics Global Technologies GmbH (Germany)*
4. Datamatics Infotech Limited (UK)
5. Datamatics Global Services Pty Limited (Australia)
6. Datamatics Global Technologies Limited (Mauritius)
7. Datamatics Global Technologies AG (Switzerland)
8. Datamatics Global Services FZ-LLC (Dubai)
9. Datamatics Global Services Corp. (Philippines) (w.e.f February 10, 2017)
10. Datamatics Robotics Software Inc (US) (w.e.f March 28, 2017)
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)
17. CIGNEX Datamatics Pte. Limited (Singapore)
18. CIGNEX Datamatics UK Limited (UK)
19. Duo Consulting Inc. (US)
20. Elevondata Labs Holdings Inc. (US)

* In the process of liquidation.

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. A statement containing salient features of the financial statements of theCompany's subsidiaries in "Form AOC–1" is annexed to the financial statements of the Company.

SHARE CAPITAL

As on March 31, 2017, 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, 2017.

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, Mrs. Asha L. Kanodia, retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers herself for re-appointment.

Re-appointment of Mr. Rahul L. Kanodia as Whole-Time Director of the Company

The Members of the Company had, at the 24th AGM held on September 26, 2012, re-appointed Mr. Rahul L. Kanodia as a Whole-Time Director designated

BOARD'S REPORT

as Vice-Chairman & CEO for a period of five years with effect from February 22, 2012. According to his terms, the tenure of Mr. Rahul L. Kanodia had expired on February 21, 2017.

On recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 23, 2017, subject to the approval of shareholders at the ensuing AGM, re-appointed Mr. Rahul L. Kanodia as a Whole-Time Director designated as Vice-Chairman & CEO w.e.f February 22, 2017.

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, 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 Act 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 2016-17 witnessed a steady growth in revenues as Datamatics sought new opportunities for digital transformation in key industries. We attribute this success to our fundamental belief in aligning our business goals and objectives with those of our customers.

Datamatics has continued to focus its efforts towards offering a comprehensive suite of customized, smart and innovative solutions, powered by Artificial Intelligence and Machine Learning, Robotics, IoT, Cloud and Mobility. We remain committed towards working with our clients and supporting them in transforming their businesses into data-driven enterprises. The positive results and appreciation in various Customer Satisfaction Surveys is a validation of the exemplary services offered by our teams.

In our endeavour to drive growth, we have forged new alliances in addition to renewing existing partnerships with companies who specialize in developing niche products in the emerging technologies. These collaborations have helped Datamatics offer its customers advanced technology solutions that would give them a competitive edge in the marketplace.

Banking, Insurance, Retail, Publishing and Transportation are few of the verticals that have benefitted the most by embracing our Smart Automation products and services.

Automation, Artificial Intelligence (AI) & Cognitive Systems

Datamatics has made considerable strides in the AI and automation space, as organizations are increasingly looking to make their critical business functions more efficient. The AI-based self-learning solutions parse voluminous amounts of structured and unstructured data to detect patterns and provide valuable insights. Our award-winning proprietary product TruBot has helped organizations build a positive RoI by automating their repetitive, rule-based, and time-consuming processes. Through its smart solutions, Datamatics has been closely working with banks and insurance companies to automate and transform their backend processes, which has led to increased productivity and accuracy.

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Additionally, we are working towards integrating intelligence into labor-intensive processes, which lead to reduced manual intervention and increased efficiency.

Enterprise Mobility

Enterprise mobility has gained significant momentum with companies adopting 'mobile first' as a core strategy for their business and cloud platforms. We aim to further enhance our service in the mobility space and create a niche that will help us gain a competitive advantage. Datamatics foresees greater demand and growth in device centric businesses including IoT, mobility, and self-service kiosks, among others.

Text Analytics & Pattern Detection

Datamatics' text analytics solutions incorporate unique Human Data Interface and visualization along with data management techniques that offer in-depth insights for making real-time and smart decisions. It is an intelligent system that follows an iterative approach to decipher hidden insights from text based content.

Datamatics' AI based data mining platforms enable customers to correlate information across multiple sources and detect patterns in text. This could be amongst diverse and seemingly unrelated entities such as people, organizations, locations, events etc.

Accelerating innovation

The core operation of Datamatics focuses on "Data to Intelligence"; i.e. leveraging data to extract intelligence and patterns thereby facilitating smarter and quicker decision making.

For the next few years, Datamatics will continue to have a two-pronged research and innovation agenda of providing fully integrated offerings through Smart Processes, Smart Systems, Smart Devices and Smart Data. The emphasis will remain on some key thrust areas revolving around automation, text analytics and cognitive technologies such as AI, Natural Language Processing, and Machine Learning.

Datamatics will continue its research on emerging trends and technologies through its incubation centre – DataLabs. Through this setup, Datamatics builds innovative solutions and create Intellectual Property for business and process efficiency.

It has been our constant endeavour to provide smart services and solutions to our customers globally that have played a key role in transforming their businesses and maintain an edge in a highly competitive market. This growth is a true reflection of our customer-centric approach and corporate strategy to provide innovative solutions. We aim to invest heavily in other industry sectors and tap new markets in our efforts to work with our customers in their digital transformation journey.

QUALITY

Quality has always been our top priority and continues to remain in sharp focus, creating a distinct competitive advantage. At Datamatics, quality is both a legacy and a value that Management of the Company has inculcated and ingrained as a culture, custom and character.

Our 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. The industry has always been kind in recognising 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 won the Global Quality Challenge award of one of the fortune 100 organizations for the ninth time. Further significant initiatives of your Company towards quality are:

1) **Lean Six Sigma Initiative:**

   We have adopted the proven Lean Six Sigma methodology in conjunction with Kaizen to make our processes more efficient, productive, robust

BOARD'S REPORT

and defect free and also to improve productivity and cost effectiveness. This initiative continues to deliver significant benefits to the Organization with improvements in Productivity, Efficiency, Quality and Customer Satisfaction. Overall 375 Six Sigma Projects and 1700 Kaizen Projects have been completed since the launch of this initiative in 2007. For the past consecutive three years, our improvement projects have been ranked within the top 5 projects out of around 80 projects in QIMPRO Conventions.

In the last financial year, an overall benefit that includes tangible and intangible benefits, of 24 million with an ROI of more than 200% was achieved through these performance improvement methodologies.

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 4500 person hours of training around continuous improvement in the last financial year.

2) Certifications:

Your Company, keeping true to its commitment of designing and implementing its quality management systems as per the global standards and benchmarks has been assessed and certified on standards such as ISO 9001:2015, SEI - CMMI Version 1.3 high maturity Level L4, and ITIL. New centers that we added last year have also been assessed and certified for compliance to these standards.

The thrust and demands on information security is increasingly becoming stricter. In line with the demands as well as our own analysis of the information security landscape, we continue to lay great emphasis on the information security management systems. Last year, we not only retained the ISO 27001:2013 certification for our Information Security Management Systems but also brought all our centers under the purview of the information security management. We also got certified to SSAE 16 SOC 1 and SOC2 requirements with HiTRUST capabilities. These standards are critical standards 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 will continue to strengthen this as we enter the new financial year. 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.

3) Customer Satisfaction Tracking:

We conducted a comprehensive branding survey among our customers to assess their priorities and their perceptions about the Company against these priorities. We are happy to share with you that there is no jarring incongruence between the two. However, as an organizational improvement initiative, we have identified, as shared earlier, delivery as per commitment and quality of solutions. There is also an emphasis on providing value-addition to our customers and feedback ranging from happy to delighted bears testimony to the effectiveness of these initiatives.

The customer satisfaction and loyalty index measuring process continues to provide invaluable insights into our customer's expectations and our performance vis-à-vis these expectations. This is done once every six months and captures customer's feedback on a wide range of parameters that encompass each aspect of service excellence. This is a wholly automated process and it speeds up the entire process of capture and analysis of the feedback received from the Customer. We feel proud to share with you that overall our Customer Satisfaction Index has been 5.01 on a scale of 1-6 (1 being the lowest and 6 being the highest) with about 81% of our customers rating us "highly satisfied" and "delighted". 75% of our customers have rated us "highly satisfied" and "delighted" on the organization improvement theme of delivery as per commitment and quality of solutions. In addition to this formal mechanism, we also have systems that capture customer feedback received through other formal and informal channels. The results of these also show an improving trend.

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4) Metrics and Process Compliance Index

Metrics is a concept of measuring Delivery Index for each Line of Business (LOB) and each Support Department. The Quality of all deliverables is monitored on a regular basis and a feedback is given to the Department Heads. This index not only provides the snapshot health of a LOB but also provides a mechanism to compare various LOB's. We use a delivery index to measure and compare the performance for each Line of Business (LOB). It incorporates the three key indicators of performance of any project viz Quality, Effort and Schedule adherence and a stop light (red-amber-green) dashboard is used to display the performance.

In addition, regular process compliance checkups and speedy follow-ups on the corrective and preventive actions have helped us significantly to keep non-compliances in check and thereby reduce rework and defects at the source. Process Compliance Index (PCI) measures and compares the compliance levels for the different LOBs. The process compliance indices are well above the defined targets.

The defined quality gates ensure that we are adhering to process requirements and deliverables at each of the critical stages of the project. A regular review of this with senior management ensures that the processes are on track.

In order to create processes at par with global best practices, we have also tied up with a number of global forums such as ISBSG, CSI and PMI to understand and benchmark ourselves against key metrics.

We have also introduced advanced statistical tools and analysis and simulation techniques to improve our ability to predict the performance of the projects and thereby take proactive steps and measures to improve the performance.

HUMAN RESOURCES MANAGEMENT AND EMPLOYEE RELATIONS

The entire business is chiefly talent-based and people driven. Employees, play a significant role in the success of the Company and are the key assets of the Company. Hence, we precisely term them as '**Human Capital**'.

Our Company's endeavour is to create a work environment that imbibes a positive attitude for excellent performance. The key areas of the Company's Human Resource Management (HRM) strategy includes a comprehensive approach to managing people, workplace culture and environment.

Managing a strong employer and employee relationship leads to the ultimate success of an organisation. A strong relationship at any work centre will lead to more qualitative & efficient productivity, generate cohesion among the employees and create smooth functional environment.

The Human Resource Department ("HRD") of the Company regularly conducts the following programs:

Datamatics Pulse : Our Company has launched a Mobile Application named 'Datamatics Pulse' for its employees on Android Platform and the same will soon be available on iOS. The application is designed to help the employees manage their leaves, outdoor duties and travel activities.

Happy Birthday Placard: There is always a special day in everyone's life. The day of birth of an individual is considered to be one of the most cherished moments in his/her life. Keeping this is mind, we at Datamatics go an extra mile in celebrating this auspicious day. We dedicate a Happy Birthday Placard on employee's desk so that everyone can celebrate together with the employee on his/her day.

"**Climate Survey**" and "**Open House**" to ensure that employees' views and opinions are taken on board, as well as the Company's larger strategy is discussed and shared with them. Both these initiatives have HRD Head and leadership teams of each Line of Services ("LOS") to bring a shared understanding of the larger organizational direction. It renders the employee a

BOARD'S REPORT

platform to voice their views, opinions for the possible areas of improvement which in turn enhance employee engagement and fosters direct organizational Growth.

New Entrant Observation ("NEO"): It is a session conducted by the HRD for new entrants after they complete 30 days to understand how things are going with them and gain their feedback.

On-Site Visit: It helps in establishing connect with onsite employees to address various issues and for continuous to & fro performance and business related information exchange. HRD representative and account manager visit employees once every month. It helps us to understand the communication system, opportunities to collaborate and work environment of both clients & our employees.

Saarathi: With a view to ensure smooth integration of new entrants into the organization, processes, systems and work culture a 'Buddy System' which is known as 'Saarathi' is in place. Saarathi is the point of contact, friend and guide for the new joinee during initial days within the organization.

Euphoria - Monthly Departmental Meet: A monthly meeting is conducted by the HRD, 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. It works as a motivator to perform outstandingly.

Long Service Award: Being a 40 year old organization, we have many employees who have helped us grow by displaying strong sense of commitment, trust and loyalty with their long term association with the organization. These employees are conferred Long Service Awards during the Annual Achievers Award Ceremony. The excitement is created amongst these employees by felicitating appropriately and infusing a sense of belongingness of being a core member of the Company.

Annual Achievers Award, Instant Recognition and Client Appreciation: To motivate high performing individuals and teams, who have exhibited exemplary commitment, having outstanding leadership qualities, made considerable impact on the business, we confer upon them various performance awards during the Annual Achievers Awards Ceremony and Euphoria. In addition to these, there are also 3 kinds of spot awards viz. a) Spot Individual; b) Spot Team; c) Employee of the month, to instantly recognize significant achievement, excellence in performance and special contributions by individuals and teams. '**Praise for Performance**' is a program that aims at recognising the efforts of employees who have received client appreciation, in front of a larger audience to induce a sense of pride and contentment. It is a concerted effort to instil a fresh spirit in the employees, so that they become more spirited and competitive in their performance.

iAppreciate: These cards are awarded by the Reporting Manager to Appreciate their team members at right time for good work and efforts.

Our Company has rich diversity in its employees with a common aim to excel. A culture of co-operation and solidarity is infused by celebrating National holidays and festivities such as Independence & Republic Day, Diwali, Dandiya & Christmas. Initiatives such as JOSH, where employees offer their innovative ideas help to unleash their creativity, maintain a balance between work & life and create a deep sense of bonding among employees.

Lazy Friday in ITS: Focus is laid on Team Orientated Culture wherein, employees interact and perform tasks together to increase team cohesion. It is also instrumental in promoting cross functional teams as they share similar goals, purpose and targets

TALENT MANAGEMENT

The HRM team has introduced a new vertical called '**Talent Management**' effective September 2016. The Talent Management team, spear headed by the Global HR Head act as a strategic partner to both business leaders and the wider HR function, acting as internal consultants to understand the needs of every business from a talent and development perspective. Some of the interventions planned under the Talent Management umbrella aim to bring in a more focused alignment of HR processes in accordance with our business objectives & goals.

Online Talent Profile:

Talent Profile is an online platform within the intranet portal - PULSE that enables employees to create an up-to-date profile of their professional experience, educational

BOARD'S REPORT

background, certifications, skills, accomplishments and more at one place. It provides visibility to Managers, Senior Executives and HR, to get a complete overview on the experience of the current workforce and their teams through this online portal, thereby enabling them to know their employees better and make informed decisions accordingly.

Competency Framework:

Designing the competency framework for the Company aims to identify and spell out the specific behaviours important for organizational success. The framework will help define the competencies needed for employees within the Company to perform their job more effectively and successfully. This forms the foundation for Talent Management interventions. The identified competencies will get integrated with job descriptions, performance appraisals, development programs, internal transfers, talent reviews and succession planning for critical roles.

Graduate Executive Program – Building Talent Pipeline for Sales:

It is a multilayer program for fresh graduates with a variety of classroom and on-the-job development opportunities, to cultivate graduates into Business Development Associates. The focus is on developing the next talent pipeline for Sales, to generate more demand for Company's products and services, leading to increased business impact and revenue growth.

Aspire – Online Portal for Internal Job Postings:

'Aspire' the internal talent mobility project consist of (a) Internal Job Posting ("IJP") Policy, and (b) an online IJP platform, powered by hire craft. This has been developed with an aim to turn the talent search engine inside the organization. It provides employees the opportunity to apply for open positions across the organization, to enhance their career growth and development. A structured IJP program acts as one of the key success drivers in providing mobility to employees across roles / functions / locations, thus addressing business challenges, as well as providing job enrichment to employees based on their career aspirations.

Talent review - 9 box grid (Talent Calibration):

A defined process to enable Managers evaluate and gauge the performance, potential and readiness of their respective talent pool using the 9 box grid format. This involves working collaboratively with the leaders to arrange every employee above specific grades, into one of the nine boxes on three levels of performance and potential. This will form the basis for succession planning, Hi-Performer/Hi-Potential identification and leadership development.

RECRUITMENT

The Talent Acquisition team implemented the recruitment automated tracking system (ATS) i.e. Hirecraft from April 01, 2016. It is an end-to-end online recruitment platform, which has been created with an objective of transiting towards paperless recruitment, candidate database management and to record all phases of recruitment transactions online. It digitizes each recruitment phase which otherwise functioned manually and was paper-enabled. The change has resulted in providing a compounding database of candidates indexed to the organisation's manpower needs and acts as a catalyst for generating reports and MIS.

Regional Location HR

South HR: The employee headcount for south locations (Bengaluru, Chennai & Puducherry) as on March 31, 2017 is 1820. The company has been supporting the cause 'Empowerment of underprivileged women', by offering them a career with Datamatics. There has also been an increase in the number of our differently abled employees in FY 2016-17. Puducherry ramp up has been executed as per the plan and the focus has been on providing employment opportunities to local talent.

Nashik HR: Nashik has an excellent pool of resources for the IT and BPO businesses. Today the Company is one of the top employers in the BPO sector. The Company has on-boarded 800+ employees within 99% TAT and zero consultancy cost. The campus recruitment drive has been conducted successfully in Nashik, branding Datamatics as an 'Employer of Choice' across colleges. Nashik as a location has matured with quality service and low attrition.

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HR OPERATIONS

Automation:

Ask HR: A newly introduced tool 'ASK HR' has been introduced to address all employee queries pertaining to HR. Each category of query has a defined SLA attached and is tracked on a regular basis which helps employees with a timely and effective resolution.

Payroll Outsourcing: Payroll has been outsourced to Excelity group effective October 2016 to obtain process efficiency and cost reduction. HR outsourcing impacts the organization in managing and delivering 'payroll and benefits' services to the employees efficiently, mitigating the risks associated with process, technology, people, compliance and change management. It enables the HR team to focus more on business strategy and less on administration.

One Database: The project supports the Human Resources team to generate an employee database/ reports online for any given month.

e-Dialogue: It is an online Performance Management tool developed on the intranet portal - PULSE to automate the entire cycle from target setting to annual appraisal under one platform. This will help in structuring and creating a more efficient PMS process, by transitioning from a paper-based process to a robust online platform.

LEARNING & DEVELOPMENT (L&D)

The Learning & Development (L&D) team conducted the following programs during financial 2016-17:

Eagle @ Datamatics:

The Company has successfully executed the 8th batch of the Eagles program. The Eagles program 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. The program has been giving excellent results and helped the company get next gen leaders in-house. The Eagles program has enabled the organization to generate passion and zeal amongst team members. The team members explored and enhanced their creativity, resourcefulness, bonding, accountability, influencing skills and belief in themselves.

Project Management Preparatory Course (PMP):

The Company is a Registered Education Provider (REP) for PMP training and executes these trainings for its employees through a 5-day module by in-house trainers. So far, the company has 40+ certified PMP professionals who have been trained internally for certification.

Synergy – The Team Building Workshop:

The Team Building Workshop based on experiential learning is a customized program that address the issues faced by a team. The program helps the team members to synergize and create a good working environment. This workshop helps resolve these issues and bond both professionally as well as personally. Till date 64 programs have been executed successfully out of which 4 programs were organized last year. These programs are executed in-house, and have managed to generate immense curiosity amongst the employees and clients who often participate remotely.

Blended Learning:

Training via the WebEx Training tool: The L&D team has expanded their horizon for training execution through WebEx for employees across the organization. With the help of this tool, the team is able to address a larger global audience effectively, which allows participants to log-in from different locations. These training sessions are recorded and are later used as pre-recorded trainings via webex. These recorded sessions are shared with employees who have missed the live training session. This has imbibed a continuous learning attitude amongst employees. In the last one year, 100+ trainings have been organized and executed.

L&D has clocked 253,307 Person-hours in the year 2016–17 with an average feedback of 4.0 out of 5.

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DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Datamatics' has Zero tolerance towards any action on the part of any executive which may fall under the ambit of 'Sexual Harassment' at workplace 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: Nil

Number of complaints filed during the financial year: Nil

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

AWARDS & ACHIEVEMENTS

During the year, in recognition of its performance and initiatives, the Company (including Subsidiaries & Group Companies) and its employees received several awards, some of which are:

1. Datamatics received the "CIO CHOICE 2017 Honour & Recognition" title in 3 categories - Document Management Services, Business Intelligence Solutions and Robotic Process Automation.
2. Datamatics was adjudged as the "Most Preferred Employer and Great IT Workplace Company" at the 7th India Leadership Conclave in July 2016 in Mumbai.
3. Datamatics won the "Excellence in Industry Application award (Manufacturing)" at the Big Data & Analytics & Insights Summit in July 2016 in Mumbai.
4. Datamatics' Learning & Development team received the prestigious "TISS – Leap Vault CLO award (Silver)" in the Game Based Learning category.
5. Datamatics Infotech Ltd (DIL), a subsidiary of Datamatics Global Services Limited (DGSL) was awarded as the "Fastest Growing Indian Company" and "Fastest Growing New Entrant" in the 4th India Meets Britain Tracker 2017
6. Lumina Datamatics received the "Excellence in Service" award at the 12th IACC Corporate Excellence Awards in July 2016 in Mumbai.
7. CIGNEX Datamatics was felicitated at the India Human Capital Summit & Awards in June 2016 in two categories "Best Change Management Strategy" and "Best Employee Value Proposition Plan".
8. CIGNEX Datamatics was felicitated with the "Community Excellence award" by 'Liferay' for the sixth consecutive year.
9. Rahul L. Kanodia, Vice Chairman and CEO of Datamatics Global Services Ltd. voted as the "Highest Ranking Leader amongst the CEOs of Top IT Companies" on "Owler" a crowdsourced competitive intelligence platform.
10. Divya Kumat, Sr. Vice President - Legal & Company Secretary was featured in the "GC Power List": India published by "The Legal 500".
11. Alok Kumar Jha, Senior Vice President & Global Head HR & CSR received the 'Most Innovative HR Technology Leader' award as well as the 'Most Impactful CSR Leader' award at the 25th World HRD Congress in February 2017.
12. Varad Kamini Arora was acknowledged in the '50 Most Influential Global Marketing Leaders' list by the World Marketing Congress.
13. Priyam Vyas, Head - Talent Acquisition at Datamatics received the Global Talent Acquisition Leaders Award at the World HRD Congress in February 2017 in Mumbai.
14. Sajid Patel, AVP & Head - Learning & Development and Employee Relations at Datamatics was recognized amongst the 100 Most Talented Training and Development Leaders in India by the World Training and Development Congress in Mumbai.
15. Ankita Singh, VP & Head, Human Resources at CIGNEX Datamatics was awarded as the "Young HR Achiever of the Year" at the India Human Capital Summit and Awards in June 2016.
16. Ankita Singh, VP & Head, Human Resources at CIGNEX Datamatics was felicitated with the "Women Leader" award in the IT & Software Industry at the "Indian Women Convention and WA Awards 2016" in June 2016 in Delhi.

BOARD'S REPORT

EVENTS

Datamatics participated in various events globally in FY 2016-17. The Company showcased its proprietary Process Automation solutions at the below 4 events this year

- Global Sourcing & Cloud Summit 2016 on 13th June in New York;
- Nordic Shared Services, BPO & GBS Summit 2016 on 7th November in Stockholm;
- AP P2P Conference and Expo 2016 on 26th October in Las Vegas;
- Middle East Robotic Process Automation Forum 2017 on March 21 in Dubai.

Datamatics, in partnership with SIS Retail, participated in the PCI London Summit in January 2017 and presented its mobility solution, Retail Insights 365.

CIGNEX Datamatics exhibited their enterprise class solutions built on Liferay at The Liferay North America Symposium 2016 that was held on 3rd November in London.

CIGNEX Datamatics partnered the MongoDB 'Digital Transformation' Seminar held on September 21, 2016 in India and exhibited enterprise class solutions and frameworks built using MongoDB.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company has been following well laid down policy on appointment and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel.

A brief of the policy on Director's appointment and remuneration including criteria for determining qualifications, positive attributes, independence of Director and also remuneration for key managerial personnel and other employees, forms part of Corporate Governance Report of this Annual Report.

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

The Board of Directors has adopted the Insider Trading Policy for regulating trading by Insiders in accordance with the requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015. Our Company is committed to transparency and fairness and strives to preserve the confidentiality of unpublished price sensitive information and prevent misuse of the same. This policy lays down guidelines and procedures to be followed and disclosures to be made while dealing with the shares of the Company as well as the consequences of violation. The Policy has been formulated to regulate, monitor and ensure reporting of trading done by the insider and to maintain highest ethical standards of dealing in Company's securities.

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)*

BOARD'S REPORT

DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

(ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;

(iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

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

AUDITORS

Statutory Auditors

As per Section 139 of the Act read with Rules thereto, it is mandatorily required to rotate the Statutory Auditors upon completion of 10 years with the Company. The Act had provided for a moratorium period of 3 years to comply with the said provision.

In terms of the said provision, M/s. Kanu Doshi Associates LLP, existing Statutory Auditors will retire at the conclusion of this AGM.

On recommendation of the Audit Committee, the Board has recommended the appointment of M/s. M. L. Bhuwania and Co. LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) as Statutory Auditors of the Company from the conclusion of the ensuing AGM till the conclusion of 34th AGM, subject to ratification by shareholders at each AGM.

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and rules made thereunder, the Company had appointed Mr. Tushar Shridharani, Practicing Company Secretary, to conduct secretarial audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed as "**Annexure – B**" to this Report.

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.

CORPORATE GOVERNANCE

The Company is committed to maximize the value for its stakeholders by adopting the principles of good Corporate Governance in line with the provisions of law and in particular those stipulated in the SBEI Listing Regulations.

The Act and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the new law and listing regulations.

Our Report on Corporate Governance together with a certificate from the Statutory Auditors of the Company forms part of this Annual Report.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report on overview of the industry and the business outlook, internal controls systems and their adequacy, risk and concerns and discussion on financial performance forms part of this Annual Report.

BOARD'S REPORT

COMPOSITION OF THE COMMITTEES OF THE BOARD

Audit Committee

The Audit Committee consists of the following members: Mr. R. K. Saraswat, Chairman; Mr. Sudhir Deshpande, Member and Mr. Shahzaad Dalal, Member. For more information, please refer the "Corporate Governance Report".

Stakeholders Relationship Committee

The Stakeholders Relationship Committee consists of the following members: Mr. R. K. Saraswat, Chairman and Mr. Sudhir Deshpande, Member. For more information, please refer the "Corporate Governance Report".

Nomination & Remuneration Committee

The Nomination and Remuneration Committee consists of the following members: Mr. Sudhir Deshpande, Chairman, Dr. Lalit S. Kanodia, Member, Mr. R. K. Saraswat, Member and Mr. Shahzaad Dalal, Member. For more information, please refer the "Corporate Governance Report".

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consists of the following members: Mr. Rahul L. Kanodia, Chairman; Mr. R. K. Saraswat, Member and Mr. Sameer L. Kanodia, Member. For more information, please refer the "Corporate Governance Report".

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Act forms part of the notes to the standalone financial statements provided in this Annual Report.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Act and SEBI Listing Regulations, your 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.

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and at arm's length basis. No Material Related Party Transactions were entered into during the financial year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable. Your Directors draw attention of the Members to Notes to accounts of the financial statement which sets out related party disclosures.

POLICIES

The SEBI Listing Regulations, mandated the formulation of certain policies for all Listed Companies. In compliance with the above requirement, all our policies are available on our website *(http://www.datamatics.com/investors/corporate-governance)*.

The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

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

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

BOARD'S REPORT

INTERNAL FINANCIAL CONTROL SYSTEMS RELATED TO FINANCIAL STATEMENTS

Datamatics maintains adequate internal control systems including internal financial control systems, which provides, among other things, reasonable assurance of recording the transactions of its operations in all material respects.

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 line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2016 that continue to apply under Section 133 and other applicable provisions, if any, of the Act. These are in accordance with Generally Accepted Accounting Principles in India.

RISK MANAGEMENT POLICY

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

The purpose of risk management is to achieve sustainable business growth, protect Company's assets, safeguard stakeholder's investment and ensure compliance with applicable laws and regulations.

The Board of Directors have approved the Risk Management Policy, in terms of the Act and SEBI Listing Regulations, to monitor the risks and their mitigating actions. Risk management is controlled by the Risk Management Policy. The policy is intended to ensure that an effective risk management framework is established and implemented within the Company.

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 2016-17 are annexed as "**Annexure – C**" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

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 your Company and its operations in future.

EXTRACT OF ANNUAL RETURN

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in Form MGT - 9 is annexed as "**Annexure – D**".

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

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

A. Conservation of energy

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

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

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

BOARD'S REPORT

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) Your Company has not imported any technology during the year under review.

iii) Your 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 : ₹ 2084.14 million

Foreign Exchange Outgo in terms of Actual Outflows : ₹ 304.58 million.

ACKNOWLEDGEMENTS

Your Directors' place on record their deep appreciation to employees, customers, shareholders, vendors, bankers, financial institutions, governments authorities and other stakeholders. 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 : June 29, 2017

"ANNEXURE – A"

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 2016-17:

Sr. No.	Particulars	Ratio to Median remuneration
Executive Directors		
1.	Dr. Lalit S. Kanodia	66.89
2.	Mr. Rahul L. Kanodia	90.56
3.	Mr. Sameer L. Kanodia	49.31
Non-Executive Directors		
4.	Mr. R. K. Saraswat	2.05
5.	Mr. Sudhir C. Deshpande	2.05
6.	Mr. Shahzaad S. Dalal	0.94
7.	Mr. Dilip D. Dandekar	1.74
8.	Mrs. Asha L. Kanodia	1.87
9.	Mr. Vinay M. Aggarwal	1.91

(II) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial officer and Company Secretary in the financial year 2016- 17:

Sr. No.	Particulars	% Increase in remuneration in the FY
1.	Dr. Lalit S. Kanodia	1.16
2.	Mr. Rahul L. Kanodia	10.09
3.	Mr. Sameer L. Kanodia	(0.73)
4.	Mr. R. K. Saraswat	(29.76)
5.	Mr. Sudhir C. Deshpande	(29.76)
6.	Mr. Shahzaad S. Dalal	(15.63)
7.	Mr. Dilip D. Dandekar	(23.08)
8.	Mrs. Asha L. Kanodia	(28.00)
9.	Mr. Vinay Agarwal	(21.43)
10.	Ms. Divya Kumat, Company Secretary	(0.50)
11.	Mr. Siddharth Saboo, Chief Financial Officer*	(31.46)
12.	Mr. Sandeep Mantri, Chief Financial Officer**	0.00

* Mr. Siddharth Saboo resigned w.e.f May 31, 2016.
** Mr. Sandeep Mantri was appointed w.e.f November 11, 2016,

(III) The percentage increase in the median remuneration of employees in the financial year: 5.09%

(IV) The number of permanent employees on the rolls of Company: 4906

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

On an average, employees received an annual increase of 8% in India. The individual increments varied from 5% to 15%, based on the 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 2017 (₹ in Million)	42.73
Revenue (₹ in Million)	3,057.12
Remuneration of KMPs (as % of Revenue)	1%
Profit before tax (PBT)) (₹ in Million)	216.25
Remuneration of KMP (As % of PBT)	20%

"ANNEXURE – A"

(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, 2017	March 31, 2016	% Change
Market Capitalization (₹ in Million)	7,468.88	3,171.47	136%
Price Earning Ratio	34.24	7.22	374%

(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, 2017	IPO date (May 07, 2004)	% Change
Market Price (BSE)	126.6	110	15%
Market Price (NSE)	126.7	110	15%

(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:

(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	Mr. Siddharth Saboo*
Remuneration in FY 2017 (₹ in Million)	9.63	13.04	7.10	4.11	6.18	1.17
Revenue (₹ in Million)	3057.12					
Remuneration as % of revenue	0.32%	0.43%	0.23%	0.13%	0.20%	0.04%
Profit before tax (PBT) (₹ in Million)	216.25					
Remuneration of KMP (As % of PBT)	4.45%	6.03%	3.28%	1.90%	2.86%	0.54%

** Mr. Siddharth Saboo resigned w.e.f May 31, 2016.*

"ANNEXURE – A"

(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) 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"

SECRETARIAL AUDIT REPORT

for the financial year ended on March 31, 2017.

[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, 2017 ("**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.

"ANNEXURE – B"

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.

I further report that during the audit period the Company had no specific event /action having a major bearing on the Company's affairs in pursuance of the above referred laws, regulations, guidelines, standards etc.

Tushar Shridharani
Place: Mumbai **Practicing Company Secretary**
Date: June 29, 2017 **FCS 2690 / COP 2190**

"ANNEXURE – C"

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"

   Acting responsibly towards the society is a part of the Datamatics DNA. Datamatics has always been a strong proponent of being a socially responsible Company. Datamatics has been carrying out CSR activities for long time, even before it was made mandatory. Datamatics has been practicing CSR as a strategic tool for sustainable growth and to make a difference and create a positive impact on the society. With Employability & Environment high on its priority, the Company drives its CSR initiatives through a corporate body named 'ASHA'. Led by Senior Management, this initiative is promoted throughout the Company.

   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.*

   A brief overview of the projects undertaken by the Company:

   As per the CSR initiatives, Learning & Development has initiated couple of programs exclusively for the Students keeping their employability & professional growth in mind. Your Company has trained thousands of youngsters for the employability program inclusive of Touch Typing Skill set. Such model was developed to groom fresher and develop them for the future employability and growth.

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

   The composition of the CSR Committee as on March 31, 2017 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	Executive Director

3. **Average net profit of the company for last three financial years: ₹ 362.53 million**

4. **Prescribed CSR Expenditure (2% of this amount as mentioned in Sr. No. 3 above): ₹ 7.25 million.**

"ANNEXURE – C"

5. Details of CSR spent during the financial year:

(a) Total amount spent for the financial year: ₹ 2.03 million.

(b) Amount unspent: ₹ 5.22 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	₹ 2.03 million	₹ 2.03 million	--	₹ 2.03 million	Direct
	TOTAL				**₹ 2.03 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 :-**

The Company has always been committed towards carrying out various CSR activities for the benefit of the society. Our CSR objective is aimed at demonstrating care for the community through its focus on Employability & Environment. The Company has taken various initiatives to spend maximum possible amount on CSR activities. However, the primary object of the Company is to grow its business and cater to the needs of the society by earing more foreign reserves and generating adequate Jobs.

The growth of the Company in the competitive environment is possible only if the resources of the Company are used in a channelized manner. Also, the Board of Directors of the Company 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.

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

Rahul L. Kanodia
Chairman of CSR Committee
DIN: 00075801

R.K.Saraswat
Director
DIN: 00015095

Date: June 29, 2017
Place: Mumbai

"ANNEXURE – D"

FORM NO. MGT - 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended March 31, 2017
[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 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 Email: *depository@dfssl.com* website: *www.datamaticsbpo.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%

"ANNEXURE – D"

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, 2017	Applicable Section
1	**Delta Infosolutions Private Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72300MH1992PTC064911	Holding	53.97	2(46)
2	**Lumina Datamatics Limited** 12th & 13th Floor, Phase II, Ascendas International Tech Park, Taramani Road, Chennai - 600113.	U22220TN2007PLC065507	Subsidiary	100.00	2(87)
3	**Cybercom Datamatics Information Solutions Limited** Unit no 105, First Floor, Multistoried Building, Seepz - Sez Andheri (E), Mumbai 400096.	U72900MH2000PLC123469	Subsidiary	50.50	2(87)
4	**CIGNEX Datamatics Technologies Ltd** President Plaza Cross Roads, S.G. Highway, Ahmedabad - 380054.	U72200GJ2006PLC048349	Subsidiary	-	2(87)
5	**LDR eRetail Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U74120MH2015PLC267425	Subsidiary	-	2(87)
6	**LD Publishing and eRetail Limited** 12th Floor, Phase II, Crest, International Tech Park, Taramani CSIR Road, Chennai - 600113.	U74900TN2015PLC102688	Subsidiary	100.00	2(87)
7	**Attune Infocom Private Limited** A - 103, Siddhivinayak Towers, B/H DCP Office, Off S.G. Highway, Ahmedabad, Gujarat - 380051.	U22220TN2007PLC065507	Subsidiary	-	2(87)
8	**Scalsys Technologies Private Limited** F-501, Kamleshwar Elegance, Near Vande Matram Prime, GOTA, Ahmedabad, Gujarat - 382481.	U72200GJ2014PTC079650	Subsidiary	-	2(87)
9	**Datamatics Global Services, Inc**. Suite 100 & 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	100.00	2(87)
10	**Datamatics Global Services GmbH**. Im Leuschnerpark 4, 64347,Griesheim.	Not Applicable	Subsidiary	100.00	2(87)
11	**Datamatics Infotech Limited** 1, Doughty Street, London WC1N2PH.	Not Applicable	Subsidiary	100.00	2(87)
12	**Datamatics Global Services Pty Limited** Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverlly, Victoria 3150, Australia	Not Applicable	Subsidiary	100.00	2(87)
13	**Datamatics Global Technologies Ltd** 3rd Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius.	Not Applicable	Subsidiary	100.00	2(87)

"ANNEXURE – D"

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held as on March 31, 2017	Applicable Section
14	**Datamatics Global Technologies AG** MSJG Rechtsanwalte & Notare, Vortstadt 32, 6304, Zug, Switzerland.	Not Applicable	Subsidiary	100.00	2(87)
15	**Datamatics Global Services FZ-LLC** 2917, 3201, 32nd Floor, Al Shatha Tower, Dubai, United Arab Emirates.	Not Applicable	Subsidiary	100.00	2(87)
16	**Datamatics Global Technologies GmbH** Gerhart-Hauptmann-Strassee 20, 64347 Griesheim.	Not Applicable	Subsidiary	-	2(87)
17	**Datamatics Global Services Corporation**. Unit 1807, Cityland Codominium, 10, Tower, H.V Dela Costa ST. Corner, Ayala Ave, Makati City.	Not Applicable	Subsidiary	-	2(87)
18	**Datamatics Robotics Software Inc** Suite 100 & 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	-	2(87)
19	**Lumina Datamatics Inc**. 4 Collins Avenue, Plymouth, MA 02360, USA.	Not Applicable	Subsidiary	-	2(87)
20	**Lumina Datamatics GmbH** Im Leuschnerpark 4, 64347 Griesheim.	Not Applicable	Subsidiary	-	2(87)
21	**Lumina Datamatics Assessment & Analytics LLC** 4 Collins Avenue, Plymouth, MA 02360, USA.	Not Applicable	Subsidiary	-	2(87)
22	**CIGNEX Datamatics Corporation** Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands.	Not Applicable	Subsidiary	-	2(87)
23	**CIGNEX Datamatics, Inc**. 31572 Industrial RD, Suite 400, Livonia MI 48150.	Not Applicable	Subsidiary	-	2(87)
24	**CIGNEX Datamatics GmbH** Fuhrmannstrasse 8, 64289 Darmstadt, Germany.	Not Applicable	Subsidiary	-	2(87)
25	**CIGNEX Datamatics Pte. Limited** 08-03, SGX Centre 2, 4 Shenton Way, Singapore 068807.	Not Applicable	Subsidiary	-	2(87)
26	**Cignex Datamatics UK Limited** First House, 11 Furzton Lake, Shirwell Crescent, Milton Keynes, Buckinghamshire, MK41GA.	Not Applicable	Subsidiary	-	2(87)
27	**Duo Consulting Inc** 641 West Lake Street, Suite 301, Chicago IL 60601.	Not Applicable	Subsidiary	-	2(87)
28	**Elevondata Labs Holdings Inc.** 106 Custer Avenue, Williston Park, NY 11596	Not Applicable	Subsidiary	-	2(87)

"ANNEXURE – D"

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, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1) Indian									
a) Individual/HUF	1,10,70,106	0	1,10,70,106	18.78	1,12,37,572	0	1,12,37,572	19.06	0.28
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.	3,18,13,742	0	3,18,13,742	53.97	3,18,13,742	0	3,18,13,742	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)	**4,28,83,848**	**0**	**4,28,83,848**	**72.75**	**4,30,51,314**	**0**	**4,30,51,314**	**73.03**	**0.28**
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)	**4,28,83,848**	**0**	**4,28,83,848**	**72.75**	**4,30,51,314**	**0**	**4,30,51,314**	**73.03**	**0.28**
B. PUBLIC SHAREHOLDING									
1. Institutions									
(i) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Banks / FI	3,200	0	3,200	0.01	98,549	0	98,549	0.17	0.16
(iii) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(iv) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(v) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(vi) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(vii) FIIs	0	0	0	0.00	4,77,569	0	4,77,569	0.81	0.81
(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	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	**3,200**	**0**	**3,200**	**0.01**	**5,76,118**	**0**	**5,76,118**	**0.98**	**0.97**
2. Non-Institutions									
a) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
i) Indian	28,74,813	500	28,75,313	4.88	30,83,865	500	30,84,365	5.23	0.35
ii) Overseas	0	2,47,000	2,47,000	0.42	0	2,47,000	2,47,000	0.42	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	60,43,091	1,51,056	61,94,147	10.51	72,00,151	1,43,176	73,43,327	12.46	1.95

"ANNEXURE – D"

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2016)				No. of Shares held at the end of the year (As on March 31, 2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	65,23,210	0	65,23,210	11.07	41,44,258	0	41,44,258	7.03	-4.04
c) Others, specify									0.00
NRIs (Rep. & Non-Rep.)	2,22,419	200	2,22,619	0.38	5,02,755	200	5,02,955	0.85	0.48
Sub-total (B)(2)	**1,56,63,533**	**3,98,756**	**1,60,62,289**	**27.25**	**1,49,31,029**	**3,90,876**	**1,53,21,905**	**25.99**	**-1.26**
Total Public Shareholding (B) = (B)(1) + (B)(2)	**1,56,66,733**	**3,98,756**	**1,60,65,489**	**27.25**	**1,55,07,147**	**3,90,876**	**1,58,98,023**	**26.97**	**-0.28**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total (A+B+C)	**5,85,50,581**	**3,98,756**	**5,89,49,337**	**100.00**	**5,85,58,461**	**3,90,876**	**5,89,49,337**	**100.00**	**0.00**

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2016)			Shareholding at the end of the year (As on March 31, 2017)			% 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.	3,18,13,742	53.97	0.00	3,18,13,742	53.97	0.00	0.00
2	Dr. Lalit S. Kanodia	32,30,995	5.48	0.00	32,30,995	5.48	0.00	0.00
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	0.0004	0.00	209	0.0004	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	0	0.00	0.00	14,73,735	2.50	0.00	2.50
7	Mrs. Aneesha A. Dalmia	17,89,143	3.04	0.00	13,52,874	2.29	0.00	-0.74
8	Mrs. Amrita V. Bhogilal	11,89,143	2.02	0.00	3,19,143	0.54	0.00	-1.48
9	Dr. Lalit S. Kanodia HUF -2	74,264	0.13	0.00	74,264	0.13	0.00	0.00
10	Mr. Yogendra S. Kanodia	6,500	0.01	0.00	6,500	0.01	0.00	0.00
11	Yogendra Kanodia HUF	1,700	0.003	0.00	1,700	0.003	0.00	0.00
12	Smt. Chandravati S. Kanodia	36	0.0001	0.00	36	0.0001	0.00	0.00
	Total	**4,28,83,848**	**72.75**	**0.00**	**4,30,51,314**	**73.03**	**0.00**	**0.28**

"ANNEXURE – D"

iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoters	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (As on 01.04.2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Delta Infosolutions Pvt. Ltd.**				
	At the beginning of the year i.e. April 1, 2016.	3,18,13,742	53.97	3,18,13,742	53.97
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			3,18,13,742	53.97
2	**Dr. Lalit S. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	32,30,995	5.48	32,30,995	5.48
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			32,30,995	5.48
3	**Mrs. Asha L. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			33,05,258	5.61
4	**Mr. Rahul L. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	209	0.0004	209	0.0004
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			209	0.0004
5	**Mr. Sameer L. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			14,72,858	2.50
6	**Mrs. Priyadarshini R. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	--	--	--	--
	Increase in Shareholding on March 29, 2017.	14,73,735	2.50	14,73,735	2.50
	At the end of the year i.e. March 31, 2017.			14,73,735	2.50
7	**Mrs. Aneesha A. Dalmia**				
	At the beginning of the year i.e. April 1, 2016.	17,89,143	3.04	17,89,143	3.04
	Decrease in Shareholding on May 20, 2016.	(25,000)	(0.04)	17,64,143	2.99
	Decrease in Shareholding on Janaury 27, 2017.	(3,49,519)	(0.59)	14,14,624	2.40
	Decrease in Shareholding on February 03, 2017.	(61,750)	(0.10)	13,52,874	2.29
	At the end of the year i.e. March 31, 2017.			13,52,874	2.29
8	**Mrs. Amrita V. Bhogilal**				
	At the beginning of the year i.e. April 1, 2016.	11,89,143	2.02	11,89,143	2.02
	Decrease in Shareholding on September 02, 2016	(10,000)	(0.02)	11,79,143	2.00
	Decrease in Shareholding on October 07, 2016	(10,000)	(0.02)	11,69,143	1.98
	Decrease in Shareholding on December 09, 2016	(20,000)	(0.03)	11,49,143	1.95
	Decrease in Shareholding on December 16, 2016	(1,10,000)	(0.19)	10,39,143	1.76
	Decrease in Shareholding on December 23, 2016	(7,20,000)	(1.22)	3,19,143	0.54
	At the end of the year i.e. March 31, 2017.			3,19,143	0.54

"ANNEXURE – D"

Sr. No.	Name of Promoters	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (As on 01.04.2016)	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
9	**Dr. Lalit S. Kanodia HUF - 2**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			74,264	0.13
10	**Mr. Yogendra S. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			6,500	0.01
11	**Yogendra Kanodia HUF**				
	At the beginning of the year i.e. April 1, 2016.	1,700	0.00	1,700	0.003
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			1,700	0.003
12	**Smt. Chandravati S. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	36	0.0001	36	0.0001
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			36	0.0001

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

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Mr. Shaunak J. Shah**					
	At the beginning of the year	1-Apr-16	9,99,149	1.69	9,99,149	1.69
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-17			9,99,149	1.69
2	**Mr. Jagdish A. Shah**					
	At the beginning of the year	1-Apr-16	7,48,395	1.27	7,48,395	1.27
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-17			7,48,395	1.27
3	**Jamson Securities Pvt Ltd**					
	At the beginning of the year	1-Apr-16	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-17			5,80,660	0.99
4	**Ms. Jagruti S. Shah**					
	At the beginning of the year	1-Apr-16	4,88,098	0.83	4,88,098	0.83
	Increase/Decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-17			4,88,098	0.83
5	**Mr. Bhadra J. Shah**					
	At the beginning of the year	1-Apr-16	0	0.00	3,50,000	0.59
	Increase	18-Nov-16	1,07,369	0.18	1,07,369	0.18

"ANNEXURE – D"

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Increase	25-Nov-16	17,631	0.03	1,25,000	0.21
	Increase	16-Dec-16	1,00,000	0.17	2,25,000	0.38
	Increase	23-Dec-16	1,25,000	0.21	3,50,000	0.59
	At the end of the year	31-Mar-17			3,50,000	0.59
6	**Infologix BVI Limited**					
	At the beginning of the year	1-Apr-16	2,47,000	0.42	2,47,000	0.42
	Increase/Decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-17			2,47,000	0.42
7	**Sharekhan Limited**					
	At the beginning of the year	1-Apr-16	25,442	0.04	25,442	0.04
	Decrease	8-Apr-16	(3,200)	(0.01)	22,242	0.04
	Decrease	15-Apr-16	(4,771)	(0.01)	17,471	0.03
	Increase	22-Apr-16	5,138	0.01	22,609	0.04
	Increase	29-Apr-16	2,131	0.00	24,740	0.04
	Increase	6-May-16	724	0.00	25,464	0.04
	Increase	13-May-16	5,644	0.01	31,108	0.05
	Increase	20-May-16	302	0.00	31,410	0.05
	Increase	27-May-16	4,123	0.01	35,533	0.06
	Decrease	3-Jun-16	(1,655)	(0.00)	33,878	0.06
	Increase	10-Jun-16	6,377	0.01	40,255	0.07
	Increase	17-Jun-16	760	0.00	41,015	0.07
	Decrease	24-Jun-16	(1,896)	(0.00)	39,119	0.07
	Increase	30-Jun-16	5,296	0.01	44,415	0.08
	Decrease	1-Jul-16	(316)	(0.00)	44,099	0.08
	Decrease	8-Jul-16	(16,896)	(0.03)	27,203	0.05
	Decrease	15-Jul-16	(1,738)	(0.00)	25,465	0.04
	Decrease	22-Jul-16	(1,358)	(0.00)	24,107	0.04
	Increase	29-Jul-16	3,754	0.01	27,861	0.05
	Increase	5-Aug-16	2,228	0.00	30,089	0.05
	Decrease	12-Aug-16	(15,592)	(0.03)	14,497	0.03
	Decrease	19-Aug-16	(34)	(0.00)	14,463	0.03
	Increase	26-Aug-16	527	0.00	14,990	0.03
	Increase	2-Sep-16	470	0.00	15,460	0.03
	Increase	7-Sep-16	1,662	0.00	17,122	0.03
	Increase	8-Sep-16	7,402	0.01	24,524	0.04
	Decrease	9-Sep-16	(2,557)	(0.00)	21,967	0.04
	Decrease	16-Sep-16	(2,884)	(0.01)	19,083	0.03
	Decrease	23-Sep-16	(354)	(0.00)	18,729	0.03
	Increase	30-Sep-16	5,268	0.01	23,997	0.04
	Increase	7-Oct-16	838	0.00	24,835	0.04
	Decrease	14-Oct-16	(1,265)	(0.00)	23,570	0.04
	Increase	21-Oct-16	4,094	0.01	27,664	0.05
	Decrease	28-Oct-16	(1,341)	(0.00)	26,323	0.05
	Decrease	4-Nov-16	(1,513)	(0.00)	24,810	0.04
	Decrease	11-Nov-16	(7,172)	(0.01)	17,638	0.03
	Decrease	18-Nov-16	(3,508)	(0.01)	14,130	0.02
	Decrease	25-Nov-16	(83)	(0.00)	14,047	0.02
	Increase	2-Dec-16	6,431	0.01	20,478	0.04
	Increase	9-Dec-16	6,704	0.01	27,182	0.05
	Increase	16-Dec-16	3,391	0.01	30,573	0.05
	Increase	23-Dec-16	22,799	0.04	53,372	0.09
	Increase	30-Dec-16	15,975	0.03	69,347	0.12

"ANNEXURE – D"

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Increase	6-Jan-17	30,621	0.05	99,968	0.17
	Decrease	13-Jan-17	(7,706)	(0.01)	92,262	0.16
	Decrease	20-Jan-17	(52,714)	(0.09)	39,548	0.07
	Decrease	27-Jan-17	(1,049)	(0.00)	38,499	0.07
	Increase	3-Feb-17	1,24,092	0.21	1,62,591	0.28
	Increase	10-Feb-17	35,759	0.06	1,98,350	0.34
	Increase	17-Feb-17	23,161	0.04	2,21,511	0.38
	Increase	24-Feb-17	3,921	0.01	2,25,432	0.38
	Decrease	3-Mar-17	(8,865)	(0.02)	2,16,567	0.37
	Decrease	10-Mar-17	(3,094)	(0.01)	2,13,473	0.36
	Decrease	17-Mar-17	(317)	(0.00)	2,13,156	0.36
	Increase	24-Mar-17	38,156	0.07	2,51,312	0.43
	Decrease	31-Mar-17	(15,510)	(0.03)	2,35,802	0.40
	At the end of the year	31-Mar-17			2,35,802	0.40
8	**Prabhudas Lilladher Private Limited**					
	At the beginning of the Year	1-Apr-16	800	0.00	800	0.00
	Increase	15-Apr-16	1,265	0.00	2,065	0.00
	Decrease	22-Apr-16	(987)	(0.00)	1,078	0.00
	Decrease	29-Apr-16	(75)	(0.00)	1,003	0.00
	Decrease	6-May-16	(490)	(0.00)	513	0.00
	Decrease	13-May-16	(153)	(0.00)	360	0.00
	Increase	20-May-16	1,065	0.00	1,425	0.00
	Decrease	27-May-16	(1,178)	(0.00)	247	0.00
	Increase	3-Jun-16	10,053	0.02	10,300	0.02
	Decrease	10-Jun-16	(9,800)	(0.02)	500	0.00
	Increase	17-Jun-16	300	0.00	800	0.00
	Decrease	24-Jun-16	(500)	(0.00)	300	0.00
	Increase	8-Jul-16	1,463	0.00	1,763	0.00
	Decrease	15-Jul-16	(1,257)	(0.00)	506	0.00
	Increase	22-Jul-16	1,812	0.00	2,318	0.00
	Decrease	29-Jul-16	(2,268)	(0.00)	50	0.00
	Increase	5-Aug-16	10	0.00	60	0.00
	Increase	12-Aug-16	340	0.00	400	0.00
	Increase	19-Aug-16	400	0.00	800	0.00
	Decrease	26-Aug-16	(100)	(0.00)	700	0.00
	Decrease	2-Sep-16	(485)	(0.00)	215	0.00
	Increase	7-Sep-16	585	0.00	800	0.00
	Decrease	16-Sep-16	(500)	(0.00)	300	0.00
	Increase	23-Sep-16	50	0.00	350	0.00
	Decrease	30-Sep-16	(50)	(0.00)	300	0.00
	Decrease	7-Oct-16	(200)	(0.00)	100	0.00
	Decrease	14-Oct-16	(100)	(0.00)	0	0.00
	Increase	11-Nov-16	50	0.00	50	0.00
	Decrease	18-Nov-16	(50)	(0.00)	0	0.00
	Increase	2-Dec-16	500	0.00	500	0.00
	Increase	9-Dec-16	3,734	0.01	4,234	0.01
	Increase	16-Dec-16	81,591	0.14	85,825	0.15
	Increase	23-Dec-16	2,47,895	0.42	3,33,720	0.57
	Decrease	30-Dec-16	(25,180)	(0.04)	3,08,540	0.52
	Increase	31-Dec-16	50	0.00	3,08,590	0.52
	Increase	6-Jan-17	14,097	0.02	3,22,687	0.55
	Increase	13-Jan-17	41	0.00	3,22,728	0.55
	Decrease	20-Jan-17	(6,443)	(0.01)	3,16,285	0.54

"ANNEXURE – D"

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	Decrease	27-Jan-17	(2,803)	(0.01)	3,13,482	0.53
	Increase	3-Feb-17	9,915	0.02	3,23,397	0.55
	Decrease	10-Feb-17	(6,640)	(0.01)	3,16,757	0.54
	Decrease	17-Feb-17	(1,03,812)	(0.18)	2,12,945	0.36
	Decrease	24-Feb-17	(2,722)	(0.01)	2,10,223	0.36
	Decrease	3-Mar-17	(3,613)	(0.01)	2,06,610	0.35
	Decrease	10-Mar-17	(1,556)	(0.00)	2,05,054	0.35
	Increase	17-Mar-17	896	0.00	2,05,950	0.35
	Increase	24-Mar-17	210	0.00	2,06,160	0.35
	Decrease	31-Mar-17	(910)	(0.00)	2,05,250	0.35
	At the end of the year	31-Mar-17			2,05,250	0.35
9	**Mr. B N Nagamani**					
	At the beginning of the Year	1-Apr-16	0	0.00	0	0.00
	Increase	29-Jul-16	1,00,000	0.17	1,00,000	0.17
	Increase	12-Aug-16	1,00,000	0.17	2,00,000	0.34
	At the end of the year	31-Mar-17			2,00,000	0.34
10	**Mr. Arun Nahar**					
	At the beginning of the Year	1-Apr-16	0	0.00	0	0.00
	Increase	2-Sep-16	1,50,400	0.26	1,50,400	0.26
	At the end of the year	31-Mar-17			1,50,400	0.26

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	**Dr. Lalit S. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	32,30,995	5.48	32,30,995	5.48
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			32,30,995	5.48
2	**Mr. Rahul L. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	209	0.00035	209	0.00035
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			209	0.00
3	**Mr. Sameer L. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			14,72,858	2.50
4	**Mrs. Asha L. Kanodia**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			33,05,258	5.61
5	**Mr. R. K. Saraswat**				
	At the beginning of the year i.e. April 1, 2016.	1,000	0.002	1,000	0.002
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			1,000	0.002

"ANNEXURE – D"

Sr. No.	Particulars	Shareholding at the beginning of the year (As on 01.04.2016)		Cumulative Shareholding during the year (01.04.2016 to 31.03.2017)	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
6	**Mr. Sudhir C. Deshpande**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			0	0.00
7	**Mr. Shahzaad S. Dalal**				
	At the beginning of the year i.e. April 1, 2016.	2,000	0.003	2,000	0.003
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			2,000	0.003
8	**Mr. Dilip D. Dandekar**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			0	0.00
9	**Mr. Vinay M. Aggarwal**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			0	0.00
10	**Ms. Divya Kumat**				
	At the beginning of the year i.e. April 1, 2016.	100	0.0002	100	0.0002
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2017.			100	0.0002
11	**Mr. Sandeep Mantri**				
	At the beginning of the year i.e. April 1, 2016.	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 i.e. March 31, 2017.			0	0.00

"ANNEXURE – D"

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

(₹ in Million)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. As on April 1, 2016				
i)Principal Amount	496.37	100.00	-	596.37
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	2.54	1.10	-	3.64
Total (i+ii+iii)	**498.91**	**101.10**	**-**	**600.01**
Change in Indebtedness during the financial year				
Addition	607.47	-	-	607.47
Reduction (Repayment)	(719.93)	-	-	(719.93)
Net Change	**(112.46)**	**-**	**-**	**(112.46)**
Indebtedness at the end of the financial year i.e. March 31, 2017				
i)Principal Amount	383.91	100.00	-	483.91
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not due	**1.66**	**9.19**	**-**	**10.85**
Total (i+ii+iii)	**385.57**	**109.19**	**-**	**494.76**

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.	5.43	8.58	7.53	21.54
b)	Value of perquisites under section 17(2) Income-tax Act, 1961	0.03	0.03	0.07	3.23
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0.00	0.00	0.00	-
2	Stock Option	0.00	0.00	0.00	-
3	Sweat Equity	0.00	0.00	0.00	-
4	Commission	4.5	4.5	0.00	6.50
	As % of profit	0.00	0.00	0.00	-
5	Others, specify	0.00	0.00	0.00	-
Total		**9.96**	**13.11**	**7.60**	**30.67**
Ceiling as per the Act (10% of Profits calculated under Section 198 of the Companies Act, 2013)			**33.25**		

"ANNEXURE – D"

B. Remuneration to other directors

(₹ in Million)

Sr. No.	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Total Amount
1	**Independent Directors**			
	Mr. R. K. Saraswat	0.15	0.15	0.30
	Mr. Sudhir C. Deshpande	0.15	0.15	0.30
	Mr. Shahzaad S. Dalal	0.06	0.08	0.14
	Mr. Dilip D. Dandekar	0.10	0.15	0.25
	Mr. Vinay M. Aggarwal	0.13	0.15	0.28
	Total (i)	**0.58**	**0.68**	**1.25**
2	**Other Non-Executive Directors**			
	Mrs. Asha L. Kanodia	0.13	0.15	0.27
	Total (ii)	**0.13**	**0.15**	**0.27**
Total (i+ii)		**0.70**	**0.82**	**1.52**
Ceiling as per the Act (1% of Profits calculated under Section 198 of the Companies Act, 2013).			**3.32**	

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Ms. Divya Kumat, Company Secretary (KMP)	Mr. Siddharth Saboo Ex-Chief Financial Officer (KMP)*	Mr. Sandeep Mantri Chief Financial Officer (KMP)#	Total Amount
1	Gross salary				
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	6.15	1.17	4.11	11.43
b)	Value of perquisites under section 17(2) Income-tax Act, 1961.	0.03	0.00	0.00	0.03
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	0.00	0.00	0.00	0.00
2	Stock Option	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00
4	Commission	0.00	0.00	0.00	0.00
	as % of profit	0.00	0.00	0.00	0.00
5	Others - Contribution to Provident Fund, Allowance etc	0.00	0.00	0.00	0.00
Total		**6.18**	**1.17**	**4.11**	**11.46**

* Mr. Siddharth Saboo resigned from the position of Chief Financial Officer w.e.f May 31, 2016.
# Mr. Sandeep Mantri was appointed as Chief Financial Officer w.e.f November 11, 2016.

"ANNEXURE – D"

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty /Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (Give details)
A. COMPANY					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2017.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2017.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2017.				
Punishment					
Compounding					

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



7.5 %

CONTRIBUTION OF INDIA'S IT SECTOR TO THE GDP

WITH THE SIGNIFICANT SOCIAL CHANGES TAKING PLACE, EMERGING DIGITAL TECHNOLOGIES ARE DISRUPTING AND RESHAPING THE WORLD WITH GREAT SPEED.

OVERVIEW OF THE INDUSTRY

The Indian Information Technology (IT) industry is rapidly changing and has been one of the fastest growing industries in India. With the significant social changes taking place, emerging digital technologies are disrupting and reshaping the world with great speed. The IT industry has played a vital role in the growth of the Indian economy, with a contribution of $ 155 billion in 2016-17, constituting 7.5% of our GDP, thereby building significant brand equity for itself in the global market.

The overall IT function comprises four primary domains, namely, Infrastructure, Development, Security and Data. Each of these are instrumental in the digital transformation of the sector. Earlier, the IT function was considered more as a support for every organization; however, with the changing trends, the role of digital technology has transformed from being an efficiency driver to becoming an enabler of

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

innovation and disruption. Digitalization has made steady progress in recent years, and today, it is being viewed as an imperative. With digitalization and automation gaining momentum, companies have started recognizing the role of technology and how it can positively impact productivity, provide insights and create new revenue opportunities. Enterprises across different sectors are embracing and adapting new technologies to improve efficiency, reduce costs and further enhance customer experience.

GROWTH OF THE IT SECTOR

IT industry executives remain bullish on IT services. A trend that began many years ago, the everything-as-a-service phenomena has maintained its momentum. While certain facets of technology are becoming easier to manage, the overall complexity of managing technology ecosystems often exceeds the capabilities of many customer segments, especially small businesses.

Indian investment in technology is further set to rise with a number of initiatives like Digital India, which the government estimates will go up to $1trillion by 2024, up from $270 billion today. With these initiatives, technology investments will accelerate significantly and this will generate new employment and many new micro entrepreneurship opportunities.

Emerging technologies such as Artificial Intelligence, Machine Learning, Automation and Big Data Analytics among others have ushered a new era, where businesses, in a short span of time, can tap insights from their enterprise data, and at times even legacy data, to provide timely and better customer service. These cognitive systems will change the way people interact with computing systems, and help them extend their expertise across any domain of knowledge to make faster and more informed decisions.

With cloud services gaining significant momentum, the Indian market is slated to grow about 36% to reach US$ 1.3 billion. The increased penetration of internet (including rural areas) and rapid emergence of e-commerce are the main drivers for continued growth of data center co-location and the hosting market in India.

Post the government's announcement of demonetization of high denomination currency, digital payment platforms witnessed a sharp spike in user transactions, app downloads and merchant enquiries, thereby indicating a greater demand for digital payments by consumers.

India ranks among the top five countries in terms of digitalization maturity, as per Accenture's Platform Readiness Index, and is expected to further mature due to the domestic opportunity and scaling up of digital platforms by 2020.

GOVERNMENT POLICIES

In the Union Budget 2017-18, the Government of India announced the following key proposals which will affect the IT Industry:

- Allocation of Rs. 10,000 crore (US$ 1.5 billion) for Bharat Net project under which the government aims to provide high speed broadband to more than 150,000 gram panchayats by FY 2018.
- The Bharat Interface for Money (BHIM) app, an Aadhaar-based mobile payment application to allow users to make digital payments, without having to use a credit or debit card. The app has already reached the mark of 10 million downloads.

OVERVIEW OF THE BUSINESS

The core operations of Datamatics are built around 'Data to Intelligence'. This leverages data to extract intelligence and patterns, thereby facilitating smarter and quicker decision making.

Your Company is focused on delivering value through integrated digital solutions for data intensive business processes that help enterprises across the world become more competitive.

Datamatics' approach to digital transformation is through implementing Smart Processes, i.e. automation powered through intelligent robots, or iBots and Smart Systems that combines machine learning, rules, and content analytics. Your Company is also actively working with Smart Devices, which include smart phones, smart TVs, smart homes, and interconnected devices (IoT), and several such areas that make smart living; and Smart Data, which extracts insights from data through algorithms.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

AS A STRATEGIC PARTNER, DATAMATICS HELPS ITS CLIENTS TRANSFORM INTO A TRULY DIGITAL, DATA-DRIVEN ENTERPRISE AND EMPOWERS THEM TO TAKE ADVANTAGE OF THE DIGITAL REVOLUTION TO INNOVATE, DIFFERENTIATE AND GROW.

Datamatics is a trusted partner to several Fortune 500 companies, globally, for managing their end-to-end Application Life Cycle and Business Critical Processes. This is done through solutions that are powered by Robotics, Artificial Intelligence and Machine Learning algorithms, which offer improved business efficiency in the interconnected world.

As a strategic partner, Datamatics helps its clients transform into a truly digital, data-driven enterprise and empowers them to take advantage of the digital revolution to innovate, differentiate and grow.

OUTLOOK

The Process Automation platform enables business operations to be agile and cost effective by automating manual, rules based, back office administrative processes, thereby reducing costs and improving accuracy.

The IT and business industries have shifted their practices from a technical and mechanical race to the new age of Robotic Process Automation (RPA). Standardization and new era business systems have strengthened our ability to process voluminous data and information quickly. Datamatics has been successfully using RPA technology as a key enabler to help clients in their digital transformation journey.

Our RPA solutions use iBots, a family of intelligent robots to offer improved business efficiency and effectiveness. This is done by emulating human actions and decision-making process and automating them, without making changes to the underlying systems and processes.

RISKS AND CONCERNS

Your Company recognizes various types of risks including political and regulatory risk, skill shortage risk and cyber security risks. The Company reviews risks from time to time, initiates mitigation actions, identifies owners and reviews progress along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. Datamatics has always focused on risk mitigation by formulating and deploying risk management policies, deploying practices for identification, assessment, monitoring, mitigation and reporting of risks thereby strengthening its sustainability. Some of the key risks and risk mitigation strategies have been highlighted below:

Global Economic Risk

The global economy is facing several key challenges because of volatility brought about by Brexit and the election of Donald Trump in the USA; the threat of stagnation in advanced economies and ongoing fears of a Chinese hard landing. On the other hand, there are also growth hotspots, especially amongst emerging markets.

Technology is becoming more and more embedded in our everyday life, and the Internet of Things (IoT) will bring connectivity to myriad products, such as cars, household appliances and clothing. How that data is used and protected will be of paramount importance for all the companies involved—and for the regulators creating and enforcing rules.

The changing economic conditions in these markets could enhance cost pressure on clients and may affect your Company adversely in a number of ways.

The major concern areas include protectionism and anti-globalization creeping into markets like the US, the UK and the rest of Europe, Singapore and Australia. Secondly, we need to update our skill base and the rising need for digital and consulting skills.

Your Company may witness a cutback in prices, or loss of key projects and customers, in turn affecting the financial performance. Datamatics mitigates global economic risk by focusing on new market segments and consolidating their operations in the existing markets.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



In all, countering protectionism that is creeping in different geographies, supporting government initiatives like Digital India, Make in India and Skill India and strengthening our footprint in newer markets like Japan, China, Africa and Nordics will be some of the focus for the IT industry in 2017.

8,700
TEAM SIZE

Employee Related Risks

Your Company's business is dependent on the quality of its workforce. A shortage of highly skilled talent is a risk faced by the IT industry as a whole. There is a dearth of qualified engineers to tap high-end business opportunities such as artificial intelligence and cloud computing. Therefore, failure to attract, retain and motivate key employees could impair your Company's ability to offer the right quality of services to its clients.

Datamatics manages attrition and employee related risks by adopting the following measures:

- Engaging skilled professionals at the right time across all locations.
- Datamatics has strong in-house and external training programs, offering the latest technology as well as soft skills training.
- Datamatics has a competitive remuneration structure, matured HR processes and several employee friendly initiatives.
- The performance of employees is linked directly to the quality of work delivered, customer satisfaction and increasing product sales of your Company.
- Datamatics provides an opportunity to connect its employees through the Employee Connect initiative and client survey.

Business Continuity and Information Security

The thrust and demands on information security is increasingly becoming stricter. In line with the demands as well as our own analysis of the information security landscape, your Company continues to lay great emphasis on the Information Security Management Systems. Datamatics has successfully concluded the transition to the new version of ISO 9001. Datamatics is now an ISO 9001:2015 certified organization, and complies with the Information Security standards. Datamatics is committed to maintain an effective information security management system. This enables dissemination of information throughout the organization, sharing with its associates and its customers, as required for the business, while

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ensuring, as appropriate, its confidentiality, integrity and availability. Your Company's Information Security Policy and control mechanisms ensure that these risks are kept in control. The Information Security team assesses and manages information security, data privacy and related risks.

Competition Risk

In an increasingly global market, companies face rising levels of competition. All organizations face some degree of competitive risk. In recent years, many big brands have fallen prey to competitive threats left unchecked. Former industry heavyweights in their respective sectors, companies such as Kodak, Blackberry and Nokia have all been laid low when faced with aggressive competition and were unable to defend their market share. The failure of companies such as Nokia and Kodak demonstrates that, irrespective of the size of the firm, any company can easily lose market share and potentially their entire business.

One of the main reasons businesses fail to defend themselves effectively is that they underestimate the size of the risk posed. Be it from existing rivals or start-ups just entering the market, from a position of size and dominance in a particular field, companies often dismiss threats from smaller, seemingly inconsequential rivals.

Datamatics faces different levels of competition across segments from domestic as well as multinational companies. However, Datamatics has established a strong brand reputation in the market and a strong foothold in the IT & ITeS spectrum.

Datamatics manages to mitigate the competition risk by way of adopting the following measures:

- 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 that conducts research and development based on emerging trends and cutting edge technologies.
- Datamatics invests in developing new and improved technologies to keep pace with the increasing level of competition focusing on customer expectations.

Legal and Regulatory Compliance Risk

Companies across all industries are navigating a global proliferation of diverse regulatory requirements, stakeholder expectations, and business model changes. Companies are challenged to comply with laws and regulations while also increasing shareholder value and protecting their brand. These challenges are acute in highly regulated industries such as financial services, healthcare and life sciences where the compliance agenda has evolved beyond mere compliance to include strategic issues.

Datamatics has a global presence in several developed as well as developing countries that have a complex and varied legal and regulatory compliance landscape; and is continuously adding new geographies that can result into risk of managing compliances.

Datamatics uses the services of professional consultants to develop successful enterprise efforts to embed compliance cultural priorities into the fabric of the organization. It also helps envision compliance, risk and program strategy, governance and program design, thereby maintaining a comprehensive compliance management framework to 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

Different expectations around interest rate policies, quantitative easing removals and other actions by global economies are driving the volatility in global currency.

The ability of corporations to manage currency risk effectively will therefore continue to be tested. Your Company derived about 65% of its revenues in US dollars and other currencies during the FY 2017, and any volatility in currency exchange movements can have a negative impact on your Company's financial performance. The management team ensures currency-related value erosion is minimized.

Datamatics manages this risk through an appropriate hedging strategy and business marketing practices. Your Company continues to constantly review the economic scenario and update policies accordingly.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Internal control is a process, effected by an entity's Board of Directors and management, designed to provide reasonable assurance regarding the achievement of objectives. Adequate internal controls allow managers to delegate responsibilities with reasonable assurance in terms of what they expect will happen, actually does happen. Good governance, well defined systems and processes, a vigilant finance function and an independent internal audit function are the foundation of our internal control systems. These systems provide a reasonable assurance with respect to providing financial and operational information, complying with applicable statutes, safeguarding of assets of your Company and ensuring compliance with corporate policies. Your Company is committed towards ensuring that its operations are carried out within a well-defined internal control framework. Its internal financial control systems are commensurate with its size and operations of your Company.

Your Company had appointed, M/s. BDO India LLP, Chartered Accountants, Mumbai as Internal Auditors of the Company to carry out the Internal Audit. During the year, the Internal Auditor has carried out their audit on significant areas - i) Revenue Assurance and Operations ii) Travel Desk Expenses iii) Administrative Expenses and iv) HR and Payroll Review. The Audit Committee periodically reviews the performance of the Internal Audit function. Your Company's Audit committee, comprising of three Independent Directors, which is a sub-committee of the Board, reviews adherence to the requirements of internal control systems, internal audit reports and legal compliances. The Audit Committee also reviews Internal Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered. The Committee reviews all quarterly, half yearly and yearly financial results of your Company and recommends it to the Board for approval.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

DISCUSSION ON CONSOLIDATED FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

I. Financial Condition

SOURCES OF FUNDS

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

a. Share Capital

The Group's authorized capital is divided in to 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 the same as at March 31, 2017 vis-à-vis previous year, i.e. ₹ 294.75 million divided into 58,949,337 Equity Shares of ₹ 5/- each fully paid up.

b. Reserves and Surplus

In ₹ million

	March -17	March -16
Capital Reserve	35.60	35.60
Capital Redemption Reserve	500.44	250.44
Securities Premium	1,080.08	1,080.08
Hedging Reserve	98.63	57.84
Employee Stock Option Outstanding	13.13	-
Foreign Currency Translation Reserve	83.99	182.32
General Reserve	633.68	633.68
Surplus in Statement of Profit & Loss	2,566.34	1,665.03
Total	**5,011.89**	**3,904.99**

Reserves and surplus increased by ₹ 1,106.90 million mainly on account of profit for the year of ₹ 901.31 million, creation of capital redemption reserve of ₹ 250.00 million on redemption of preference shares, hedging reserve by ₹ 40.79 million due to change in fair value of outstanding forward contracts and employee stock option outstanding by ₹ 13.13 million.

One of the subsidiary has granted "Restricted Stock Unit" (RSU) to its senior executive employees. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria.

Shareholders' Fund

The total shareholders' fund increased to ₹ 5,306.64 million as at March 31, 2017 from ₹ 4,199.74 million as at March 31, 2016 an increase by ₹ 1,106.90 million.

The book value per share increased to ₹ 90.02 as at March 31, 2017 compared to ₹ 71.24 as at March 31, 2016.

APPLICATION OF FUNDS

c. Fixed Assets

Addition to Gross Block

During the year, the Group capitalize ₹ 386.80 million to gross block comprising ₹ 3.19 million on building, ₹ 8.22 million on leasehold improvements, ₹ 79.81 million on computers, ₹ 22.41 on machinery and equipment, ₹ 149.76 million on Goodwill, ₹ 87.78 million on software.

Capital commitments

The Group has capital commitment of ₹ 40.64 million as at March 31, 2017 as compared to ₹ 69.93 million as at March 31, 2016.

d. Deferred tax assets / liabilities

In ₹ million

	Mar- 17	Mar– 16
Deferred tax assets	130.43	43.82
Deferred tax liabilities	132.27	151.95
Deferred tax liabilities, net	1.84	108.13

Deferred tax liabilities primarily comprise deferred taxes on fixed assets, employee benefits and provision for doubtful debts, advances and investments.

e. Trade Receivables

The trade receivables amounted to ₹ 1,914.80 million (net of provision for doubtful debts amounting to ₹ 68.81 million) as at March 31, 2017, compared to ₹ 1,849.52 million (net

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

of provision for doubtful debts amounting to ₹ 15.58 million) as at March 31, 2016. These debts are considered good and realizable. Debtors are at 22.08% and 22.66% of revenues of the year ended March 31, 2017 and March 31, 2016 respectively, representing a Days Sales outstanding of 81 days, compared to 83 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 ₹ 480.83 million as on March 31, 2017 from ₹ 765.26 million as on March 31, 2016. Non-current investments decreased to ₹ 123.16 million as at March 31, 2017 from ₹ 537.93 million as at March 31, 2016.

g. Cash and Bank Balances

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

Cash and bank balance in current account stands at ₹ 696.25 million as at March 31, 2017 as compared to ₹ 627.85 million as at March 31, 2016. Net cash from operations in F.Y. 16-17 is ₹ 831.05 million as against ₹ 670.00 million in F.Y. 15-16, net cash used in investing activities in F.Y. 16-17 is ₹ 186.86 million as against ₹ 519.60 million in F. Y. 15-16. Net cash used in financing activities in F.Y. 2016-17 is ₹ 566.94 million as against ₹ 184.41 million in F.Y.15-16.

₹ 831.05 MILLION

NET CASH FROM OPERATION, FY 2017

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

	Short - Term		Long - Term	
	Mar– 17	Mar– 16	Mar– 17	Mar– 16
Capital Advance	---	---	3.21	---
Advance Payment of Tax (Net)	0.37	---	13.32	87.44
MAT credit entitlement	19.62	2.62	87.53	103.14
Security Deposit	5.91	11.09	85.27	76.04
Service tax receivable	2.01	20.34	48.44	55.52
Prepaid expenses	118.64	140.99	10.65	0.32
Advance to vendor and employees	74.02	33.05	4.86	5.99
Other receivables	3.64	26.49	4.76	1.76
Fair value of outstanding Forward Contracts	120.59	49.99	6.84	12.78
Bank deposits	---	---	0.03	---
Inter corporate deposit	---	10.00	---	---
Unbilled revenue	503.35	384.36	---	---
Interest accrued	0.08	0.85	---	---
Total	**848.23**	**679.78**	**264.91**	**342.99**

Long-term loans and advances and other Non-current assets decreased to ₹ 264.91 million as at March 31, 2017 compared to ₹ 342.99 million as at March 31, 2016. Decrease is on account of decrease in Advance income tax and MAT credit entitlement by ₹ 89.73 million, fair value of Forward Contracts by ₹ 5.94 million, Service tax receivable by ₹ 7.08 million. Reduction is offset by increase in prepaid expenses by ₹ 10.33 million.

Short-term loans and advances and other current assets were ₹ 848.23 million as at March 31, 2017 compared to ₹ 679.78 million as at March 31, 2016. Short-term loans and advances include security deposits, MAT credit entitlement and service tax receivable balances and Fair value of Outstanding Forward Contracts maturing within one year. Other current assets include unbilled revenue and interest accrued on investment and deposits.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

i. Long-term and Short-term provisions

in ₹ million

	Mar –17	Mar -16
Provision for employee benefits – Gratuity	95.06	87.82
Provision for employee benefits – Leave encashment	75.28	65.32
Proposed dividend including tax thereon	-	17.74
Provision for tax (net of advance)	8.95	36.33
Total	**179.29**	**207.21**

Employee benefits provision increased to ₹ 170.34 million as at March 31, 2017 compared to ₹ 153.14 million as at March 31, 2016.

Company declared dividend of ₹ 0.75 (previous year ₹ 0.25) for the year ended March 31, 2017. The Board of Directors, in their meeting held on May 23, 2017 proposed a Dividend of ₹ 0.75 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting.
Provision for tax (net of advances) decreased to ₹ 8.95 million as at March 31, 2017 (previous year ₹ 36.33 million).

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

in ₹ million

	Mar –17	Mar –16
Trade payable	620.97	531.07
Current maturity of long term borrowing	260.83	164.30
Interest accrued but not due	10.85	3.64
Unearned revenue	120.23	65.13
Advance received from customer	12.40	7.31
Unpaid dividend	1.42	20.76
Statutory liabilities	76.00	80.91
Other payable	7.03	6.58
Total	**1,109.73**	**879.70**

Advances received from customers represents 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 Group.

in ₹ million

Particulars	Mar – 17	Mar – 16
Revenue from Operations	8,671.24	8,161.78
Other Income	195.09	184.51
Total Revenue	**8866.33**	**8,346.29**
Operating Expenses	7,862.80	7,429.10
EBITDA	**1,003.53**	**917.19**
Finance Cost	48.43	66.61
Depreciation and amortization	273.37	269.28
Earnings before Interest & Tax	**681.73**	**581.30**
Exceptional item	271.08	----
Earnings before Tax	**952.81**	**581.30**
Taxes	63.72	137.55
Profit after Tax	**889.09**	**443.75**

THE COMPANY DECLARED DIVIDEND OF ₹ 0.75 PER EQUITY AGAINST ₹ 0.25 IN THE PREVIOUS YEAR.

₹ 8,671.24

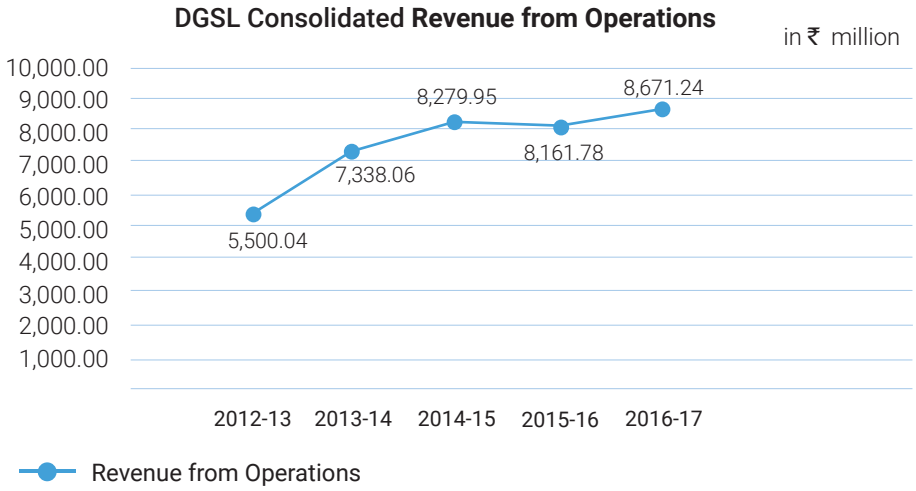
REVENUE FROM OPERATION, FY 2017

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

a. Income:

Revenue from Operations

Revenue from operations increased by 6.24% to ₹ 8,671.24 million in F.Y. 2016-17 compared to ₹ 8,161.78 million in F.Y. 2015-16.



Other Income

in ₹ million

	Mar– 17	Mar– 16
Interest Income	14.47	6.33
Dividend Income	5.85	16.06
Profit on sale of investments	67.70	11.56
Foreign exchange gain	98.90	81.01
Liabilities / excess provision written back	2.23	2.43
Miscellaneous income	5.94	18.53
Total	**195.09**	**135.92**

Other income increased by ₹ 10.58 million in F.Y. 2016-17 from ₹ 184.51 million in F.Y. 2015-16. The increase is primarily on account of gain from exchange fluctuations by ₹ 17.89 million, increase in Profit on Sale of Investments by ₹ 56.14 million, Interest Income by ₹ 8.14 million. Increase is offset by decrease in Dividend income by ₹ 10.21 million, miscellaneous income by ₹ 12.59 million. Also FY 15-16 includes extra ordinary income of ₹ 48.59 million towards receipts from Employee welfare trust.

b. Expenditure :

Operating expenses comprise of purchase of IT products and licenses, employee benefits expense and other expenses. The total operating expenses are at ₹ 7,862.80 million in F.Y. 2016-17 compared to ₹ 7,429.10 million. Operating expenses as a percentage to revenue has decreased from 91.02% of revenue in F.Y. 2015-16 to 90.68% of revenue in F.Y. 2016-17.

Employee benefits expense increased by ₹ 102.99 million to ₹ 5,159.00 million in F.Y. 2016-17. Employee benefit expenses have decreased from 61.95% of revenue in F.Y. 2015-16 to 59.50% of revenue in F.Y. 2016-17. Other operating expenses increased by ₹ 330.71 million to ₹ 2,703.80 million in F.Y. 2016-17 primarily on account of increase in purchase of IT products and Licenses by ₹ 34.22 million, Technical fees by ₹ 95.11 million, IT infrastructure and development cost by ₹ 67.57 million, rent by ₹ 20.52 million, Legal and professional expenses by ₹ 16.78 million, travelling expenses by ₹ 18.01 million and Provision for doubtful debts by ₹ 136.26 million. Other operating expenses have increased from 29.08% of revenue in F.Y. 2015-16 to 31.18% of revenue in F.Y. 2016-17.

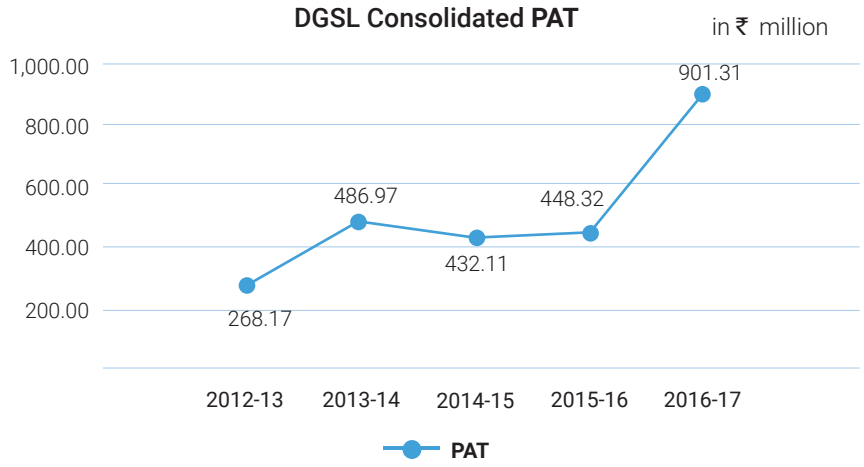
MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Depreciation and Amortisation

Depreciation charge has increased to ₹ 273.37 million in F.Y. 2016-17 from ₹ 269.28 million in F.Y. 2015-16.

Profit after Tax

Net Profit after Tax increased to ₹ 889.09 million in F.Y. 2016-17 from ₹ 443.75 million in F.Y. 2015-16. Net profit after minority interest increased from ₹ 448.32 million in F.Y. 2015-16 to ₹ 901.31 million in F.Y. 2016-17.





MANAGEMENT DISCUSSION AND ANALYSIS REPORT

THE COMPANY BELIEVES THAT PEOPLE ARE THEIR MOST VALUABLE ASSET AS THEY CONTRIBUTE INDIVIDUALLY AS WELL AS COLLECTIVELY TO THE ACHIEVEMENT OF BUSINESS OBJECTIVES.

HUMAN RESOURCES MANAGEMENT

Datamatics as a Company considers human resources as a strong function which supports the 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 their 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, which enables employees to grow professionally, contribute effectively and productively to the overall Company direction and the accomplishment of the organization's goals and objectives.

The total global manpower strength of your Company is approximately 8,700 employees.

CAUTIONARY STATEMENT

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

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

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Datamatics' policy on Corporate Governance forms part of the culture of Datamatics and aims at ensuring 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.

Datamatics' believes that good governance is an essential ingredient of good business. Effective Corporate Governance practices constitute the strong foundation on which successful commercial enterprises are built and it has a bearing on growth and stability of the Company, resulting in improved trust of general public in the Company, thereby enhancing the brand image of Datamatics. The Company strives to focus its resources and strengths to accomplish its vision to become a truly global leader in software services while sustaining the core values of excellence, integrity, responsibility and unity which are essential to the Company.

Board of Datamatics is responsible 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 ethical code of conduct of business. It is a reflection of the way, Datamatics is governed.

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, plays a fundamental role in providing valuable guidance to the Management on various aspects of business, policy direction, governance, compliance etc. and plays a critical role on business strategies, entrepreneurial leadership, risk management, securing the necessary financial and human resources and performance review.

The Board has an optimum combination of Executive and Non-Executive Directors with effective balance of Independent and Non-Independent Directors from diverse backgrounds who have years of experience and expertise in various fields. This ideal combination of Board members separates the function of management and governance.

As on March 31, 2017, the Board of Directors comprises of nine eminent persons of proven competence and integrity. The names and category of Directors on Board of the Company, and number of Directorships / Committee Membership(s) / Chairmanship(s) held by them in other Companies as on March 31, 2017 is summarized as under:

Name	Category	Directorship(s)/Committee Membership(s)/ Chairmanship(s)		
		Directorship(s) (see note no.1)	Committee Membership(s) (see note no. 2)	Chairman-ship(s)
EXECUTIVE DIRECTORS				
Dr. Lalit S. Kanodia Chairman & Whole -Time Director	Promoter Non-Independent	6	--	--
Mr. Rahul L. Kanodia Vice Chairman & CEO	Promoter Group Non-Independent	4	--	--
Mr. Sameer L. Kanodia Executive Director	Promoter Group Non-Independent	3	--	--
NON-EXECUTIVE DIRECTORS				
Mrs. Asha L. Kanodia	Promoter & Non-Independent	--	--	--
Mr. R. K. Saraswat	Independent	4	7	5
Mr. Shahzaad S. Dalal	Independent	2	--	--
Mr. Sudhir C. Deshpande	Independent	--	--	--
Mr. Dilip D. Dandekar	Independent	7	1	--
Mr. Vinay M. Aggarwal	Independent	--	--	--

REPORT ON CORPORATE GOVERNANCE

Notes:

1. Directorship excludes Directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Companies Act, 2013 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. The maximum tenure of Independent Directors is in compliance with the Act.

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 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 approved by the members of the Board at the next meeting.

During the financial year 2016-17, 5 (Five) Board Meetings were held on May 27, 2016; August 04, 2016; September 15, 2016; November 11, 2016 and February 14, 2017. 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 2016-17 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 September 15, 2016
	Held	Attended	
Dr. Lalit S. Kanodia	5	5	Yes
Mr. Rahul L. Kanodia	5	5	Yes
Mr. Sameer L. Kanodia	5	4	Yes
Mr. R. K. Saraswat	5	5	Yes
Mr. Shahzaad S. Dalal	5	2	No
Mr. Sudhir C. Deshpande	5	5	Yes
Mr. Dilip D. Dandekar	5	5	Yes
Mrs. Asha L. Kanodia	5	5	Yes
Mr. Vinay M. Aggarwal	5	5	Yes

REPORT ON CORPORATE GOVERNANCE

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 familiarisation programmes imparted to Independent Directors can be accessed at: *http://www.datamatics.com/sites/default/files/Familiarisation-Program-for-Independent-Directors.pdf*.

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 Audit Committee comprises of well-qualified and Independent Directors as required under Section 177 of the Act read with Rules thereto and is also in fulfillment of the requirements of Regulation 18 of the SEBI Listing Regulations. The primary objective of the Committee is to monitor and provide an effective supervision of the Management's financial reporting process, to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

» **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 approval;

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;
- Ensuring compliance with the Accounting Standards;
- 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;
- Significant issues arising out of audit;
- The going concern assumption;
- Major accounting entries based upon exercise of judgment by the management;
- 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 Section 314(3) of the Act.

iv. Review with the management and the auditors on the adequacy of internal control systems;

v. 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;

vi. Review of the Company's financial and risk management policies;

vii. Examine reasons for default in payment of interest and repayment of principal amounts to depositors and debenture holders, payment of dividend, payments to creditors and payment

REPORT ON CORPORATE GOVERNANCE

of all statutory dues within the prescribed time period;

viii. 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;

ix. Review and monitor auditor's independence and performance and effectiveness of the audit process;

x. Scrutiny of inter corporate loans and investments;

xi. Valuation of undertaking and assets;

xii. Monitoring of end use of funds of the public offers;

xiii. 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;

xiv. Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the CEO/Chairman of the Audit Committee in appropriate or exceptional cases;

xv. 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;

xvi. 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;

xvii. Any other terms of references as may be included from time to time.

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

The Audit Committee comprises of 3 (Three) Non-Executive Independent Directors as members viz. Mr. R. K. Saraswat (Chairman), Mr. Shahzaad S. Dalal and Mr. Sudhir C. Deshpande. All members 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 the Chief Executive Officer, Chief Financial Office and the 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 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 27, 2016; August 04, 2016; November 11, 2016 and February 14, 2017 and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended 28th AGM held on September 15, 2016.

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. Shahzaad S. Dalal	Independent	Member	4	2
Mr. Sudhir C. Deshpande	Independent	Member	4	4

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.

- **Description of Terms of Reference:**

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

i. Determines, reviews and recommends remuneration payable to Executive Directors/ Whole Time Directors in addition to reviewing overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, consider granting of stock options to employees, reviewing compensation levels of the Company's employees vis-à-vis other companies and industry in general;

ii. Matters relating to appointment of senior executives belonging to grade M12 and above;

iii. Appointment and transfer of employees in the Company's grade M12 and above shall require approval of the Committee;

REPORT ON CORPORATE GOVERNANCE

iv. Administration of ESOP schemes of Company and issue/transfer of shares under the ESOP schemes;

v. To lay down criteria such as qualifications, positive attributes and independence for appointment of person as a Director or in the Senior Management (one level below the Board);

vi. To recommend to the Board such appointment and removal of the Director including Independent Director;

vii. To carry out evaluation of every Directors performance;

viii. 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.

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

The Nomination and Remuneration Committee (N&RC) comprises of 3 (Three) Non-Executive Directors and one Executive Director, the Chairman being Non-Executive Independent Director.

The N&RC as on March 31, 2017 comprises of Mr. Sudhir C. Deshpande (Chairman), Dr. Lalit S. Kanodia, Mr. Shahzaad S. Dalal and 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 27, 2016 and November 11, 2016.

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. Sudhir C. Deshpande	Independent	Chairman	2	2
Dr. Lalit S. Kanodia	Non-Independent	Member	2	2
Mr. Shahzaad S. Dalal	Independent	Member	2	0
Mr. R. K. Saraswat	Independent	Member	2	2

Nomination and Remuneration Committee has set the performance evaluation criteria for Independent Directors and Remuneration Policy for Directors.

» **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 & 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. Meets regularly to consider requests of share transfer / transmission / split / consolidation / duplicate share certificates etc;

ii. Oversees performance of the Registrar and Transfer Agents of the Company and looks into matters which can facilitate better investor

REPORT ON CORPORATE GOVERNANCE

services and relations;

iii. Consider and resolve the grievances of the security holders including the shareholders, debenture-holders, deposit holders etc. of the Company;

iv. To monitor redressal of stakeholders' complaints/grievances including relating to non-receipt of allotment/refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

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

The Stakeholders Relationship Committee of the Board of Directors comprises of 2 (Two) Non-Executive Independent Directors viz. Mr. R. K. Saraswat (Chairman) and Mr. Sudhir C. Deshpande. 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 27, 2016; August 04, 2016; November 11, 2016 and February 14, 2017.

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. Sudhir C. Deshpande	Independent	Member	4	4

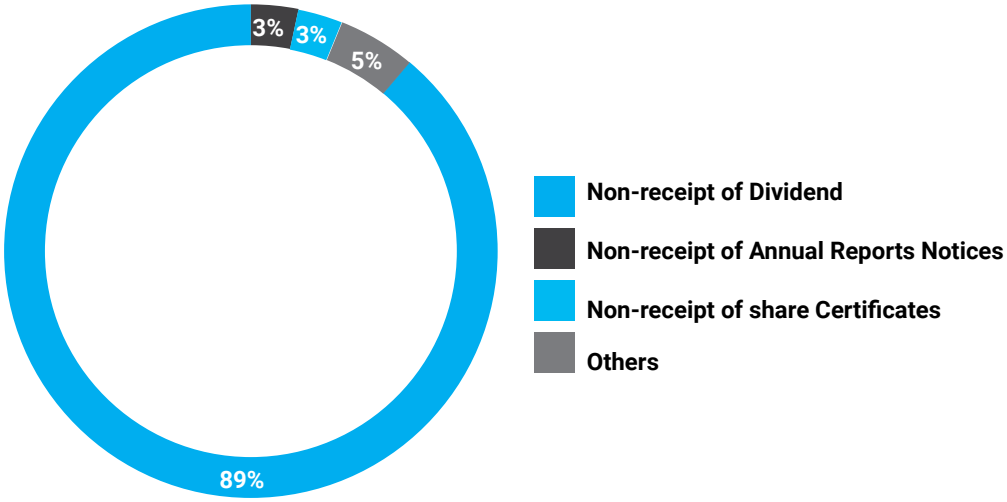
» **Name, Designation and Address of Compliance Officer:**

Ms. Divya Kumat,
Sr. VP. Legal & 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 2016-17 is given below:**

Sr. No.	Nature of Complaints	Received	Resolved
1.	Non-receipt of Dividend	32	32
2.	Non-receipt of Annual Reports/Notices	1	1
3.	Non-receipt of Share Certificates	1	1
3.	Complaints from SEBI, Stock Exchanges	0	0
4.	Others	2	2
Total		**36**	**36**

Complaints Received & Resolved



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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 framework of 'Corporate Social Responsibility Policy'.

- **Description of Terms of Reference:**

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

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

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

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

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

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

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

» **Meetings and Attendance during the year:**

During the year under review, 1 (One) meeting was held on May 27, 2016.

The details of the 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	--

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:

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.

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

None of the Non-Executive Directors has any Material pecuniary relationship or transactions vis-à-vis the listed entity.

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 the Nomination and Remuneration Committee 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. 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

REPORT ON CORPORATE GOVERNANCE

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 executive Directors during the financial year 2016-17 is given in Form MGT-9 which is annexed to the Board's report:

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

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

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

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

2. Terms of Appointment of Executive Directors:

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

    b. Resignation from the position of Executive Directorship is addressed to the Board of Directors.

3. 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 February 14, 2017, 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 Chairperson 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 viz., Mr. R. K. Saraswat, Mr. Shahzaad S. Dalal, Mr. Sudhir C. Deshpande, Mr. Dilip D. Dandekar and Mr. Vinay M. Aggarwal, were present in the meeting and the meeting was chaired by Mr. R. K. Saraswat.

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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
2013-14	September 23, 2014	11.30 a.m.	Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai-400 020.	i. Payment of Commission to Non- Executive Directors of the Company. ii. Alteration of Articles of Association of the Company.
2014-15	August 28, 2015	11.00 a.m		i. Re-appointment of Dr. Lalit S. Kanodia as Chairman and Whole-Time Director of the Company.
2015-16	September 15, 2016	11.00 a.m		No Special Resolution passed.

B. Extraordinary General Meeting:

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

C. Postal Ballot:

- During the year under review, no resolution was passed through the postal ballot.
- There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting requires passing a resolution through Postal Ballot.

VII. MEANS OF COMMUNICATION:

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

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VIII. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the financial year 2016-17 as per the requirement of the SEBI Listing Regulations, is given in a separate section forming part of the Annual Report.

IX. WEBSITE:

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

a. Details of business;
b. Terms and conditions of appointment of Independent Directors;
c. Corporate Announcements
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) 29th Annual General Meeting:

Day :	Thursday
Date :	September 14, 2017
Time :	11.00 A.M
Venue :	Indian Merchant Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400 020.

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 September 07, 2017 to September 14, 2017.

d) Dividend Payment Date:

The Board of Directors of your Company have recommended final dividend of ₹ 0.75 per share for the financial year 2016-17. Date of payment of the dividend would be within 30 days from the date of AGM i.e. by or before October 13, 2017.

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 2016-17 have been paid by your Company within the stipulated time.

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g) Stock Code and Other related Information:

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

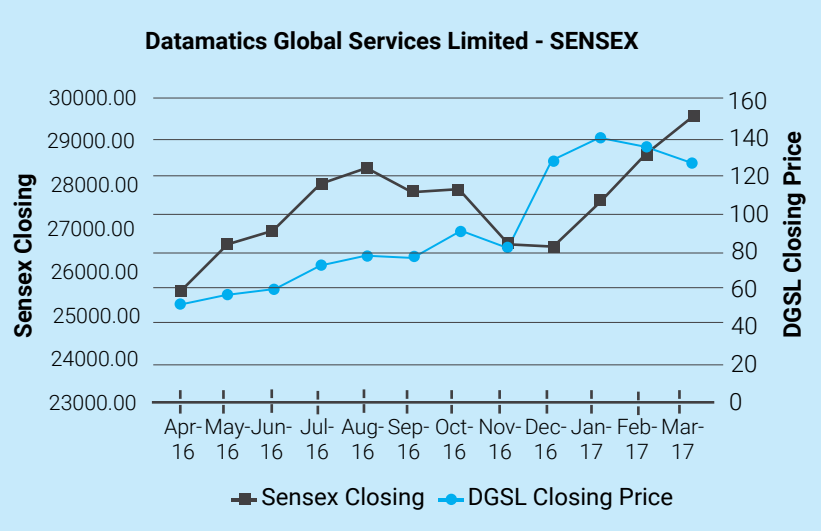
h) Market Price Data:

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:

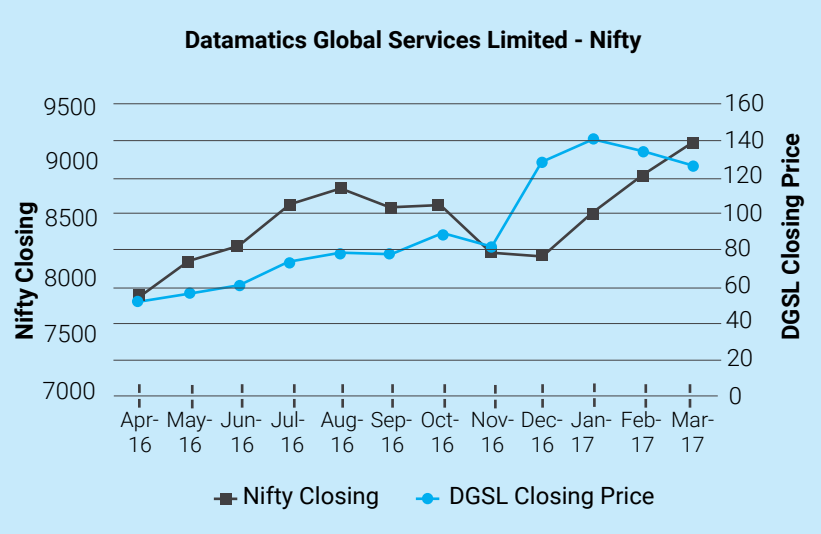
Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2016	57.2	51.50	57.45	51.50
May – 2016	63.35	50.50	63.05	50.25
June – 2016	63.80	54.05	63.90	53.50
July – 2016	75.80	57.40	75.95	57.15
August – 2016	84.30	66.30	84.70	66.20
September – 2016	87.75	74.10	87.90	72.00
October – 2016	97.90	78.80	98.00	79.00
November – 2016	93.90	64.20	93.75	65.55
December – 2016	132.40	79.00	132.45	79.00
January – 2017	164.85	117.00	164.40	124.75
February – 2017	156.15	129.45	155.85	129.65
March – 2017	141.80	124.50	141.80	125.00

Source: www.bseindia.com and www.nseindia.com

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



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j) Registrar and Transfer Agent:

Datamatics Financial Services Limited

Plot No. B-5, MIDC,
Part B, Cross Lane, Andheri (East),
Mumbai – 400 093.
Tel: 91-22-6671 2151; Fax: 91-22-6671 2250
E-mail: depository@dfssl.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 Financial Services Limited and are 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, 2017:

Distribution of equity shareholding as on March 31, 2017:

Sr. No.	Shareholding No. of Shares		Shares	% to Capital	No. of Holders	% to No. of Holders
	From	To				
1.	1	1,000	38,12,992	6.47	20,420	92.78
2.	1,001	2,000	1,197,210	2.03	774	3.52
3.	2,001	4,000	1,078,293	1.83	368	1.67
4.	4,001	6,000	892,110	1.51	179	0.81
5.	6,001	8,000	528,721	0.90	76	0.35
6.	8,001	10,000	436,393	0.74	46	0.21
7.	10,001	20,000	969,815	1.65	67	0.30
8.	20,001	99,999,999,999	50,033,803	84.88	78	0.35
TOTAL			**58,949,337**	**100.00**	**22,008**	**100.00**

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Categories of equity shareholders as on March 31, 2017:

Category	No. of shares	% of Shareholding
Promoters & Promoter Group	43,051,314	73.03
Foreign Portfolio Investor	477,569	0.81
Banks and Financial Institution	98,549	0.17
Individuals	11,487,585	19.49
NBFC registered with SEBI	9,680	0.02
NRI	502,955	0.85
Trust	65	0.00
Overseas Corporate Bodies	247,000	0.42
Bodies Corporate	2,891,559	4.90
Clearing Member	177,161	0.30
Unclaimed or Escrow Account	5900	0.01
Total	**58,949,337**	**100.00**

m) Unpaid/Unclaimed Dividend:

Pursuant to the provisions of Section 124(5) of the Act, dividend which remains unpaid or unclaimed for a period of seven years from the date of its transfer to unpaid dividend account is required to be transferred by the Company to Investor Education and Protection Fund (IEPF), established by the Central Government under the provisions of Section 125 of the Companies Act, 2013.

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
2009-2010	August 12, 2010	Final	1.25 per share	September 11, 2017
2010-2011	September 15,2011	Final	0.75 per share	October 14, 2018
2011-2012	September 26,2012	Final	0.75 per share	October 25, 2019
2012-2013	September 24, 2013	Final	1.00 per share	October 23, 2020
2013-2014	September 23, 2014	Final	1.25 per share	October 22, 2021
2014-2015	September 23, 2014	Interim	0.35 per share	October 22, 2021
2014-2015	August 28, 2015	Final	0.65 per share	September 27, 2022
2015-2016	March 21, 2016	Interim	0.50 per share	April 20, 2023
2015-2016	September 15, 2016	Final	0.25 per share	October 14, 2023

Note : An amount of Rs. 3,29,793/- lying in the Unpaid Dividend Account for the Financial Year 2008-2009, has been transferred to IEPF account on 12.11.2016, the details of which is available on the website of the Company.

n) 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, 2017, 58,558,461 Equity Shares out of 58,949,337 Equity Shares of the Company, constituting 99.34% of the Company's paid-up capital are held in the dematerialized form. Share dematerialized upto March 31, 2017 are as under.

Particulars	As on March 31, 2017	
	No. of Shares	%
Shares in Demat form	**58,558,461**	**99.34**
- NSDL	**20,422,426**	**34.64**
- CDSL	**38,136,035**	**64.70**
Shares in Physical Form	**390,876**	**0.66**
Total	**58,949,337**	**100**

REPORT ON CORPORATE GOVERNANCE

o) ADRs/GDRs/Warrants:

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

p) Foreign exchange risk:

Please refer to Management Discussion and Analysis Report for the same.

q) Office Locations:

INDIA	
Regd Office : Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093.	
Other Office Locations :	
Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.	701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096.
Unit No. 155, SDF V, 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.
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.	Unit No. 189-190, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096, INDIA.
Suyojit Datamatics Knowledge Center, Nashik Mumbai Agra Highway, Nashik - 422 009, Maharashtra.	12th & 13th Floor, Phase II, Ascendas International Tech Park, Taramani Road, Chennai 600113.
RR Towers III, 3rd floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032.	Knowledge Boulevard Complex, 9th Floor Office # 11, Ground Floor, Tower - 1, Stellar IT Park, C-25, Sector - 62. Noida- 201301.
Crompton House # 3, M.G.R. Salai (K.H.Road), 2nd & 3rd Floor, Nungambakkam, Chennai 600034.	Plot No 29-34, East Coast Road, (100 Feet Road), Saram Revenue Village, Oulgaret Municipality, Lawspet Post, Puducherry - 605008.
"RJ Grand" R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry - 8.	Silver Soft Building, Floor No 1 & 2, Plot no 23 - 24 EPIP Phase I, KIADB Whitefield, Bengaluru – 560 066.
Cessna Business Park, Embassy Singnet Building, IV Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Banglore – 560103.	Ground Floor, President Plaza Cross Roads, S.G Highway, Ahmedabad -380 054, Gujarat.
Office No 5, Second Floor, Tower-I, Stellar IT Park, C-25, Sector-62 Noida – 201301.	A- 103, Siddhivinayak Towers, B/H DCP Office, Off S.G. Highway, Ahmedabad, Gujarat - 380051

REPORT ON CORPORATE GOVERNANCE

OVERSEAS	
Suite #100, 200 & 400, 31572 Industrial Road, Livonia, MI – 48150.	3rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.
345, 7th Avenue , Suit No. 401, New York – 10001	1, Doughty Street, London, WC1N2PH.
Suite #220 & 240, 56 Middlesex Turnpike Burlington, MA – 01803.	Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverlly, Victoria 3150, Australia.
Suite #100, 510 Thornall Street, Edison, NJ – 08837.	MSG Rechtsanwalte & Notare, Vortstadt 32, 6304, Zug, Switzerland.
3001 Dallas Parkway Suite 580, Frisco, TX 75034	Gerhart-Hauptmann-Strassee 20, 64347 Griesheim
Ecos Office Centre, Room No. 29, Leuschnerpark, IM, Leuschnerpark 4, 64347, Griesheim	641 West Lake Street, Suite 301, Chicago, IL 60601
268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom	Office 3201, 32nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE PO Box: 5000 69
4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	4 Collins Avenue, Plymouth MA 02360 USA
3265 Farmtrail Road, York, PA 17406	1797 Seddon Court, Ashland, OH 44805,
Warwitzstraße 9, 5020 Salzburg, Austria	2350, Mission College Boulevard, Suite 490, Santa Clara, CA 95054.
First House, 11 Furzton Lake, Shirwell Crescent, Milton Keynes, Buckinghamshire, MK41GA	1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila
KCBC Kansas City, Business Center, 2001 46th St. NE, Kansas City, MO	

REPORT ON CORPORATE GOVERNANCE

r) Address for Correspondence

Investors Correspondence/Compliance Officer

Ms. Divya Kumat,
Sr. VP - Legal & Company Secretary
Datamatics Global Services Limited
Knowledge Centre, Plot No. 58,
Street No. 17, MIDC, Andheri (East),
Mumbai – 400 093.
Tel: 91-22-6102 0000/1/2 | Fax:91-22-2834 3669
E-mail: *investors@datamatics.com*

Registrar and Transfer Agent

Datamatics Financial Services Limited
Plot No. B-5, MIDC, Part B,
Cross Lane, Andheri (East),
Mumbai 400 093
Tel: 91-22-6671 2151;
Fax: 91-22-6671 2250
E-mail: *depository@dfssl.com*

XI. DISCLOSURES

a) Materially significant related party transactions

During the financial year 2016-17, 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 SEBI Listing Regulations. The Company has also adopted the following non-mandatory requirements of Listing Regulation:

1. The company has appointed separate persons to the post of Chairman and CEO.
2. The internal auditors of the Company, M/s. BDO India LLP 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 Regulations. The same is displayed on the website of the Company at *http://www.datamatics.com/investors/corporate-governance.*

f) 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.*

g) 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.

REPORT ON CORPORATE GOVERNANCE

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 unclaimed suspense account:

In accordance with the requirement of Regulation 34 (3) and Schedule V Part F of SEBI Listing Regulations, the Company reports the following details in respect of equity shares lying in the suspense account which were issued in dematerialised form pursuant to the public issue of the Company:

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year.	5,900
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year.	0
Number of shareholders to whom shares were transferred from suspense account during the year.	0
Aggregate number of shareholders and outstanding shares in the suspense account lying at the end of the year.	5,900

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

REPORT ON CORPORATE GOVERNANCE

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 for the financial year ended March 31, 2017.

Date : May 23, 2017
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, 2017, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purpose (Revised 2016) issued by the Institute of Chartered Accountant of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

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.

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 **Kanu Doshi Associates LLP**
Chartered Accountants
Firm Regn No.: 104746W/W100096

Arati Parmar
Partner
Membership No.:102888

Date : June 29, 2017
Place : Mumbai

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

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

We have audited the accompanying consolidated financial statements of Datamatics Global Services Limited ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries constitute 'the Group'), comprising of the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters and presentation stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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; the 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 the 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 these consolidated financial statements by the Board of Directors of the Holding Company.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

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 consideration of reports of other auditors on the separate financial statements/ consolidated financial statements of the subsidiaries referred to in point number 1 below in the Other Matters Paragraph and based on the consideration of unaudited financial statements furnished by the management for subsidiaries as explained in point number 2 below in Other Matters paragraph, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2017;

b) in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and

c) in the case of consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note no. 34 wherein a subsidiary of the Company, had issued preference shares worth ₹ 771.76 million to outside shareholders in earlier year. During the year, the same was purchased / bought back by the Company/subsidiary for ₹ 217.80 million and ₹ 250 million respectively, resulting in total exceptional gain of ₹ 303.96 million. Considering the fact that preference shares are a financial liability and bought back from outside shareholders, the resultant gain is recognised as exceptional gain in the Consolidated statement of Profit and Loss.
However our opinion is not modified in respect of this matter.

Other Matters

1. We did not audit the financial statements of nine subsidiaries (including four step down subsidiaries) included in the consolidated financial statements as at the

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

year ended March 31 2017, whose financial statements reflect total assets of ₹ 2,557.18 million and net assets of ₹ 1,711.71 million, total revenue of ₹ 3,951.32 million and net cash inflows of ₹ 193.84 millions for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion, on the financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the such other auditors.

2. Further, we have relied on the unaudited financial statements furnished by the management with respect to two subsidiaries and ten step down subsidiaries whose financial statements reflect total assets of ₹ 255.07 million and net assets of ₹ 153.07 million as at March 31, 2017, total revenue of ₹ 343.89 million and net cash outflows of ₹ 23.06 million for the year then ended. These unaudited financial statements and other financial information as approved by the respective Board of Directors of these companies, have been furnished to us by the management and our report is so far as it relates to the amounts included in respect of the consolidated financial statements is based solely on such approved unaudited financial statements.

   We are unable to comment upon the resultant impact, if any, on the profit and net assets of the consolidated financial statements of the Company as at March 31 2017, had the subsidiaries including step down subsidiaries been audited.

   Our opinion is not qualified in respect of Other Matters.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, 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 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, 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 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 March 31, 2017, taken on record by the Board of Directors of the Company and the reports of the auditors of its subsidiary companies incorporated in India, none of the Directors of the Company and its subsidiaries, incorporated in India is disqualified as on March 31, 2017 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 A"; and
   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 Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements – Refer Note 23 to the consolidated financial statement;
      ii) The Group did not have any material foreseeable losses on long term contracts including derivatives contacts.
      iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.
      iv) The Group has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. (Refer Note 27 to the consolidated financial statements).

For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration Number: 104746W/W100096

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: May 23, 2017

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")

We have audited the internal financial controls over financial reporting of Datamatics Global Services Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India as of 31 March 2017 in conjunction with our audit of the 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 of Holding Company and its subsidiary companies, which are companies incorporated in India, 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 Group'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 Act, to the extent 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 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 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

ANNEXURE A
TO THE AUDITORS' REPORT

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 reports of the auditors of its subsidiary companies incorporated in India, 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 31 March 2017, 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditors of such company incorporated in India.
Our opinion is not qualified in respect of this matter.

For Kanu Doshi Associates LLP
Chartered Accountants
Firm registration No: 104746W/W100096

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: May 23, 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ Millions)

	Note	Mar-17	Mar-16
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3 (i)	294.75	294.75
Reserves and surplus	4	5,011.89	3,904.99
		5,306.64	**4,199.74**
Preference shares issued by subsidiary companies	3 (ii)	-	771.76
Minority interest		259.57	473.10
Non-current Liabilities			
Long-term borrowings	5	80.41	346.45
Deferred tax liabilities (net)	11	1.84	108.13
Other long-term liabilities	8	0.64	0.34
Long-term provisions	6	147.70	114.90
		230.59	**569.82**
Current Liabilities			
Short-term borrowings	7	209.11	390.37
Trade payables	8		
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		620.97	531.07
Other current liabilities	8	488.76	348.63
Short-term provisions	6	31.59	92.31
		1,350.43	**1,362.38**
		7,147.23	**7,376.80**
ASSETS			
Non-current Assets			
Fixed assets	9		
- Property, plant and equipment		1,163.82	1,155.47
- Intangible assets		1,642.81	1,400.00
- Capital work-in-progress		12.42	18.00
		2,819.05	**2,573.47**
Non-current investments	10	123.16	537.93
Long-term loans and advances	12	260.12	341.23
Other non-current assets	13	4.79	1.76
		3,207.12	**3,454.39**
Current Assets			
Current investments	14	480.83	765.26
Trade receivables	15	1,914.80	1,849.52
Cash and bank balances	16	696.25	627.85
Short-term loans and advances	12	341.16	268.08
Other current assets	13	507.07	411.70
		3,940.11	**3,922.41**
		7,147.23	**7,376.80**

The accompanying notes forming an integral part of the financial statements 1-37

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

Arati Parmar
Partner
Membership No. 102888

Place : Mumbai
Date : May 23, 2017

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
Senior Vice President - Legal
& Company Secretary

Sandeep Mantri
Chief Financial Officer

CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2017

(₹ Millions)

	Note	Mar-17	Mar-16
Revenue			
Revenue from operations	17	8,671.24	8,161.78
Other income	18	195.09	135.92
Total		**8,866.33**	**8,297.70**
Expenses			
Purchase of IT products and licenses		93.08	58.86
Employee benefits expense	19	5,159.00	5,056.01
Finance cost	20	48.43	66.61
Depreciation and amortisation expense	21	273.37	269.28
Other expenses	22	2,610.72	2,314.23
Total		**8,184.60**	**7,764.99**
Profit before exceptional and extraordinary items		**681.73**	**532.71**
Exceptional item (Refer note no. 34)		271.08	-
Profit before extraordinary item		**952.81**	**532.71**
Extraordinary item (Refer note no. 32)		-	(48.59)
Profit before tax		**952.81**	**581.30**
Less : Tax expense			
Current tax - current year		171.99	152.38
- earlier years		(3.24)	(2.49)
Deferred tax charge / (benefit)		(104.16)	27.32
MAT credit entitlement		(0.87)	(39.66)
Profit after tax		**889.09**	**443.75**
Share of minority interest		(12.22)	(4.57)
Profit after minority interest		**901.31**	**448.32**
Earnings per equity share (face value ₹ 5 each)			
- Basic (in ₹)		15.29	7.61
- Diluted (in ₹)		15.24	7.45

The accompanying notes forming an integral part of the financial statements 1-37

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

Arati Parmar
Partner
Membership No. 102888

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
Senior Vice President - Legal
& Company Secretary

Sandeep Mantri
Chief Financial Officer

Place : Mumbai
Date : May 23, 2017

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

(₹ Millions)

	Mar-17	Mar-16
A.Cash flow from operating activities		
Profit before tax	952.81	532.71
Adjustments for :		
Depreciation and amortisation expense	273.37	269.28
Provision for doubtful debts, advances and investments	147.34	12.41
Provision for diminution in the value of investment	33.26	-
Liabilities / excess provision written back	(2.23)	(2.43)
Loss on sale / impairment / discard of fixed assets (net)	12.17	3.73
Finance cost	48.43	66.61
Employee stock option expenses	13.13	2.65
Profit on purchase of preference shares	(303.96)	-
Profit on sale of investments	(67.70)	(60.14)
Dividend income	(5.85)	(16.06)
Interest income	(14.47)	(6.33)
Operating profit before working capital changes	**1,086.30**	**802.43**
Adjustments for :		
Increase in trade and other receivables	(171.35)	(201.88)
Decrease / (Increase) in loans and advances	(97.02)	10.72
Increase in trade and other payables	134.65	211.64
Cash generated from operations	**952.56**	**822.91**
Direct taxes paid (net)	(121.51)	(152.91)
Net cash flow from operating activities (A)	**831.05**	**670.00**
B. Cash flow from investing activities		
Purchase of fixed assets / capital work-in-progress	(293.85)	(283.18)
Sale of fixed assets	10.45	0.55
Payment towards acquisition of minority share in subsidiary	(330.00)	-
Sale of long-term investments	440.36	60.14
Purchase of preference shares	(317.80)	-
Purchase of current investments	-	(319.50)
Sale of current investments	284.43	-
Dividend received	5.85	16.06
Interest received	13.70	6.33
Net cash flow (used in) investing activities (B)	**(186.86)**	**(519.60)**
C. Cash flow from financing activities		
Repayment of long-term borrowings	(169.51)	(21.04)
Redemption of preference shares	(150.00)	-
Payment of short-term borrowings	(181.26)	-
Dividend paid (including dividend tax)	(17.74)	(96.76)
Interest paid	(48.43)	(66.61)
Net cash flow (used in) financing activities (C)	**(566.94)**	**(184.41)**
Net cash flow during the year (A+B+C)	**77.25**	**(34.01)**
Cash and cash equivalents at the beginning of the year	615.64	649.65
Net cash and cash equivalents at the end of the year	**692.89**	**615.64**
Add: Balance in deposit accounts		
Balances earmarked	3.36	12.21
Cash and bank balances at the end of the year	**696.25**	**627.85**

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

Arati Parmar
Partner
Membership No. 102888

Place : Mumbai
Date : May 23, 2017

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
Senior Vice President - Legal
& Company Secretary

Sandeep Mantri
Chief Financial Officer

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

1 Company Overview

Datamatics Global Services Limited (DGSL) having CIN: L72200MH1987PLC04520 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.

DGSL and its subsidiaries (collectively referred to as "the Group"), a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT) and 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

i Basis of Preparation of Financial Statements:

The consolidated financial statements have been prepared on the basis of going concern concept and under the historical cost convention except for certain fixed assets which are revalued. The Group adopts accrual basis in preparation of its consolidated financial statements to comply in all material aspects with applicable accounting principles generally accepted in India. These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by AS - 21 namely "Consolidated Financial Statements" as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable.

Management believes that the estimates used in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.The accounting policies have been consistently applied by the Group and are consistent with those used in the previous year, unless otherwise mentioned in the notes.

ii Basis of Consolidation:

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, 2017 and as at March 31, 2016 are summarized below:

Name of the Subsidiary	2016 - 17		2015 - 16	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Inc	USA	100	USA	100
Datamatics Global Services GmbH ^	Germany	100	Germany	100
Datamatics Technologies UK Limited *	-	-	UK	100
Datamatics Infotech Limited	UK	100	UK	100
Datamatics Global Services Pty. Limited	Australia	100	Australia	100
Datamatics Global Technologies Limited	Mauritius	100	Mauritius	100
Datamatics Global Technologies AG	Switzerland	100	Switzerland	100
Datamatics Global Technologies GmbH ^	Germany	100	Germany	100
Datamatics Global Services GmbH d.o.o. **	-	-	Bosnia and Herzegovina	100
Datamatics Global Solutions GmbH *	-	-	Germany	100
Datamatics Global Services FZ-LLC	U.A.E	100	U.A.E	100

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

Name of the Subsidiary	2016 - 17		2015 - 16	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Corp #	Philippines	100	-	-
LD Publishing & eRetail Limited	India	100	India	100
Cignex Datamatics Corporation	BVI	59.11	BVI	60.78
Cignex Datamatics Inc *	-	-	USA	60.78
Cignex Datamatics Inc	USA	59.11	USA	60.78
Cignex Datamatics Technologies Limited	India	59.11	India	60.78
Cignex Datamatics Pte. Limited	Singapore	59.11	Singapore	60.78
Cignex Datamatics GmbH	Germany	59.11	Germany	60.78
Cignex Datamatics UK Limited	UK	59.11	UK	60.78
Duo Consulting, Inc (earlier known as DuoDesign, LLC)	USA	39.01	USA	40.11
Elevondata Labs Holdings Inc @	USA	30.15	-	-
Attune Infocom Private Limited @	India	30.15	-	-
Scalsys Technologies Private Limited @	India	30.15	-	-
Cybercom Datamatics Information Solutions Limited	India	50.50	India	50.50
Lumina Datamtics Limited	India	100	India	73.12
Lumina Datamatics Inc	USA	100	USA	73.12
Lumina Datamatics GmbH	Germany	100	Germany	73.12
Lumina Datamatics Assessment and Analytics, LLC	USA	65.00	USA	47.53
LDR eRetail Limited	India	51.00	India	37.29

* Dissolved during the year
** Sold during the year
^ Under liquidation
# Incorporated during the year
@ Acquired during the year

The financial statements of the Parent Company 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 Company and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

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

The Parent Company and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except for certain property, plant and equipments which are revalued, 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

iii Property, plant and equipments, Intangible assets and Capital work-in-progress:

Property, plant and equipments are stated at acquisition cost, except for certain property, plant and equipments which have been stated at revalued amounts as determined by approved independent valuer, less accumulated depreciation. 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. Intangible assets consist of expenses incurred / paid for development and acquisition of computer software. Capital work-in-progress includes assets not put to use before the year end.

Depreciation is provided on Straight Line Method except for leasehold and freehold land by the Parent Company and its indian subsidiary as stated in the significant accounting policies forming integral part of the financial statements. Whereas the foreign subsidiaries have provided depreciation on the assets over their estimated useful life as required / permissible by the local laws. The aggregate Gross Block of ₹ 1,559.90 million (₹ 1,540.08 million) of foreign subsidiaries have charged depreciation as per the useful life other than those prescribed in Schedule II to Companies Act, 2013. Intangible assets including internally developed intangible assets are amortized over a period of three years for which the Group expects the benefits to accrue. Non-Compete fees and copyrights are amortised over a period of five years. Goodwill generated on account of merger is amortised over a period of five years. Leasehold Premises is amortized on the Straight Line Method over the period of the Lease.

iv Goodwill / Capital Reserve:

The excess of cost to the Parent Company of its investment in subsidiaries over the Parent Company's portion of equity in the subsidiaries at the respective dates on which investments in subsidiaries were made, is recognised in the consolidated financial statements as goodwill. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Parent Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements. The Parent Company's portion of equity in the subsidiaries is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

The Goodwill recorded in these consolidated financial statements has been recognised as "Goodwill on Consolidation" and is grouped under fixed assets in the consolidated financial statements. The carrying value of Goodwill arising on consolidation for acquisitions during the previous year is tested for impairment as at the end of the reporting period.

v Operating Lease:

The leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating lease. Operating lease payments are recognised as expenses in the Statement of Profit and Loss.

vi Revenue Recognition:

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognised on periodical basis based on units executed and delivered.

Revenue / Income from sale of traded goods is recognised on dispatch of goods. Sales are exclusive of taxes, wherever applicable.

Revenue from software development on a time and material basis is recognised based on software developed and billed on clients as per the terms of specific contracts.

Interest on deployment of funds is recognised 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.

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

vii Employee Benefits:

In case of Parent Company 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

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.

viii Foreign Exchange Transactions:

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.

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.

ix Foreign Currency Translation:

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.

x Derivative Instruments and Hedge Accounting:

The Group uses foreign currency forward contracts to hedge it's risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm committments. 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 directly in Shareholders' Funds 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.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, 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 Shareholders' Funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Shareholders' Funds is transferred to the Statement of Profit and Loss for the year.

xi Investments:

Investments classified as long-term investments are stated at cost. Provision is made to recognise any diminution, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost and fair value of each investment.

xii Income Tax:

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

Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted at the balance sheet date. Deferred tax assets are recognized only to

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

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, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

xiii Borrowing Cost:

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

xiv 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.

xv Earnings per Share:

In determining Earnings per Share, the Group considers the net profit after tax after reducing the preference dividend and tax thereon and includes the post-tax effect of any extra-ordinary items. 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.

xvi Employee Stock Option Scheme:

Employee Compensation in the form of stock options granted under various schemes have been charged to Statement of Profit and Loss, based on Intrinsic value method, over the vesting period.

xvii Impairment of Assets:

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and Value-in-use. In assessing Value-in-use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

xviii 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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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.

xix 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.

xx Segment Reporting:

Primary segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Secondary segment is identified based on geographical area in which major operating divisions of the Group operate.

xxi Service tax input credit

Service tax input credit of company is accounted for in the period in which the underlying service received is accounted and when there is no uncertainly in availing/utilising the credits.

xxii Prior period adjustments, extra-ordinary items and changes in accounting policies:

Prior period adjustments, extra-ordinary items and changes in accounting policies, if any, having material impact on the financial affairs of the Group are disclosed.

(₹ Millions)

		Mar-17	Mar-16
3 (i)	**Share capital**		
	Authorised		
	104,000,000 (104,000,000) Equity shares of ₹ 5 each	520.00	520.00
	45,550,000 (45,550,000) Redeemable Preference shares of ₹ 10 each	455.50	455.50
	Total	**975.50**	**975.50**
	Issued, subscribed and paid up		
	58,949,337 (58,949,337) Equity Shares of ₹ 5 each fully paid up	294.75	294.75
	Total	**294.75**	**294.75**

a) Reconciliation of number of Equity shares and Share capital

	Mar-17		Mar-16	
	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions
At the beginning of the year	58,949,337	294.75	58,949,337	294.75
Outstanding at the end of the year	58,949,337	294.75	58,949,337	294.75

b) 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 forzen 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 shareholder 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 23, 2017 proposed a Dividend of ₹ 0.75 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September 14, 2017. The total dividend for the year ended March 31, 2017 amounted to ₹ 44.21 million and corporate dividend tax of ₹ 9.05 million.

c) Shares held by holding Company

(₹ Millions)

	Mar-17	Mar-16
Equity Shares:		
31,813,742 (31,813,742) Equity Shares of ₹ 5 held by Delta Infosolutions Private Limited	159.07	159.07

d) Details of Shares held by shareholders holding more than 5% of the agrregate shares in the Company

	Mar-17		Mar-16	
	Number of Shares	% of aggregate number of shares	Number of Shares	% of aggregate number of shares
Equity Shares:				
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%
Dr. Lalit S. Kanodia	3,230,995	5.48%	3,230,995	5.48%
Mrs. Asha L. Kanodia	3,305,258	5.61%	3,305,258	5.61%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(₹ Millions)

		Mar-17	Mar-16
3 (ii)	**Preference Shares issued by Subsidiary Companies**		
	Nil (77,175,806) Compulsorily Convertible Preference Shares of ₹ 10 each with voting rights	-	771.76
	Total	**-**	**771.76**

During the year, Datamatics Global Services Limited, Parent Company, exercise the put option and acquired Compulsorily Convertible Preference Shares issued by subsidiary company, Lumina Datamatics Limited.

(₹ Millions)

		Mar-17	Mar-16
4	**Reserves and surplus**		
	Capital Reserve		
	As per last Balance Sheet	35.60	3.52
	Add : As per the Scheme of Amalgamation	-	32.08
		35.60	**35.60**
	Capital Redemption Reserve		
	As per last Balance Sheet	250.44	250.44
	Add : On redemption of preference shares	250.00	-
		500.44	**250.44**
	Securities Premium		
	As per last Balance Sheet	1,080.08	1,080.08
		1,080.08	**1,080.08**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

		Mar-17	Mar-16
	Hedging Reserve (Refer Note no. 24)		
	As per last Balance Sheet	57.84	77.18
	Add / (Less) : Gain / (Loss) on cash flow hedging derivatives	40.79	(19.34)
		98.63	**57.84**
	Employees Stock Option Outstanding (Refer Note no. 31)		
	As per last Balance Sheet	-	-
	Add: Stock options granted during the year	13.13	-
		13.13	**-**
	Foreign Exchange Fluctuation Reserve		
	As per last Balance Sheet	182.32	140.50
	Add / (Less) : Exchange fluctuation for current year	(98.33)	41.82
		83.99	**182.32**
	General Reserve		
	As per last Balance Sheet	633.68	784.77
	Less: As per the Scheme of Amalgamation	-	(151.09)
		633.68	**633.68**
	Surplus in Statement of Profit and Loss		
	As per last Balance Sheet	1,665.03	1,184.96
	Add: As per the Scheme of Amalgamation	-	100.13
	Add : Profit for the year	901.31	448.32
	Less : Appropriations		
	Proposed dividend on Equity Shares	-	14.74
	Interim dividend on Equity Shares	-	42.07
	Tax on dividend on Equity Shares	-	11.57
		2,566.34	**1,665.03**
	Total	**5,011.89**	**3,904.99**

(₹ Millions)

		Non-current		Current	
		Mar-17	Mar-16	Mar-17	Mar-16
5	**Long-term borrowings**				
	Secured				
	Term loans from banks *	80.41	246.45	160.83	164.30
		80.41	**246.45**	**160.83**	**164.30**
	Unsecured				
	Loan from director ** (Refer Note no. 28)	-	100.00	100.00	-
	Less : Amount disclosed under the head "Other liabilities" (Refer Note no. 8)	-	-	260.83	164.30
	Total	**80.41**	**346.45**	**-**	**-**

* External commercial borrowings from Citibank N.A. is secured by way of creation of mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of title deeds with bank, 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. Terms of Repayment: Repayable in 15 equal quarterly installments of USD 0.62 million over a period of 5 years starting from January 2015 upto July 2018. Rate of Interest: Libor plus 3.00%

** Rate of Interest @ 9%, Terms of Repayment: Repayable in financial year ended March 31, 2018.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(₹ Millions)

		Long-term		Short-term	
		Mar-17	Mar-16	Mar-17	Mar-16
6	**Provisions**				
	Provision for employee benefits (Refer Note no. 25)				
	- Gratuity (Unfunded)	87.72	78.20	7.34	9.62
	- Leave benefits (Unfunded)	59.05	35.79	16.23	29.53
	Others				
	- Proposed dividend on Equity Shares including tax	-	-	-	17.74
	- Provision for taxation (net of advances)	0.93	0.91	8.02	35.42
	Total	**147.70**	**114.90**	**31.59**	**92.31**

(₹ Millions)

		Mar-17	Mar-16
7	**Short-term Borrowings**		
	From bank-		
	Secured*	145.76	390.37
	Unsecured	63.35	-
	Total	**209.11**	**390.37**

* Working capital loan 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.

(₹ Millions)

		Non-current		Current	
		Mar-17	Mar-16	Mar-17	Mar-16
8	**Other liabilities**				
	Trade payables				
	- Others (Refer Note no. 35)	-	-	620.97	531.07
		-	**-**	**620.97**	**531.07**
	Other liabilities				
	Current maturities of long-term borrowings (Refer Note no. 28)	-	-	260.83	164.30
	Interest accrued but not due (Refer Note no. 28)	-	-	10.85	3.64
	Unearned revenue	-	-	120.23	65.13
	Advances received from customers	-	-	12.40	7.31
	Unclaimed dividends*	-	-	1.42	20.76
	Creditors for capital expenditure	0.64	0.34	-	-
	Statutory dues payable	-	-	76.00	80.91
	Other payables	-	-	7.03	6.58
		0.64	**0.34**	**488.76**	**348.63**
	Total	**0.64**	**0.34**	**1,109.73**	**879.70**

*Dividend ₹ 0.33 million (₹ 0.15 million) unclaimed for a period of more than seven years is 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, 2017.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

9 Fixed Assets

(₹ Millions)

Description	GROSS BLOCK						DEPRECIATION/AMORTISATION					NET BLOCK	
	Balance as on 01-Apr-16	Additions during the year	Transfer on Scheme of Amalgamation	Deductions during the Year	Effect of foreign currency exchange differences	Balance as on 31-Mar-17	Balance upto 01-Apr-16	Additions during the year	Deductions during the Year	Effect of foreign currency exchange differences	Balance upto 31-Mar-17	Balance as on 31-Mar-17	Balance as on 31-Mar-16
Property, plant and equipment													
Land	607.40	-	-	-	-	607.40	-	-	-	-	-	607.40	607.40
Buildings	207.60	3.19	-	1.03	-	211.82	32.89	6.22	0.34	-	39.45	172.37	174.71
Leasehold Premises	42.19	-	-	-	-	42.19	2.66	0.44	-	-	3.10	39.09	39.53
Leasehold Improvements	104.64	8.22	-	(1.13)	(0.35)	111.38	18.64	5.26	(0.14)	(0.66)	23.10	88.28	86.00
Machinery and Equipment	273.45	22.41	-	(59.52)	(1.33)	235.01	198.49	29.50	(54.46)	(0.43)	173.10	61.91	74.96
Computer Equipments	515.01	79.81	-	(2.68)	(1.83)	590.31	451.96	64.72	(3.75)	(3.07)	509.86	80.45	63.05
Furniture and Fixtures	304.11	31.15	-	(14.52)	(0.86)	319.88	206.26	25.69	(12.96)	(0.94)	218.05	101.83	97.85
Vehicles	30.14	4.48	-	(0.92)	(0.03)	33.67	18.17	4.00	(0.92)	(0.07)	21.18	12.49	11.97
Total (A)	**2,084.54**	**149.26**	**-**	**(77.74)**	**(4.40)**	**2,151.66**	**929.07**	**135.83**	**(71.89)**	**(5.17)**	**987.84**	**1,163.82**	**1,155.47**
Previous Year (1)	**1,913.88**	**158.06**	**11.55**	**17.42**	**(16.37)**	**2,084.54**	**791.47**	**124.09**	**21.52**	**(8.01)**	**929.07**	**1,155.47**	
Intangible Assets													
Internal Developed Software	21.63	-	-	-	(0.26)	21.37	21.63	-	-	(0.26)	21.37	-	-
Other Software	597.73	74.90	-	(25.13)	(4.25)	643.25	479.24	74.80	(8.36)	(7.69)	537.99	105.26	118.49
Non-Compete Fees	36.00	-	-	-	-	36.00	6.34	8.73	-	-	15.07	20.93	29.66
Copy Rights	10.00	-	-	-	-	10.00	1.65	2.39	-	-	4.04	5.96	8.35
Customer Contracts	156.40	-	-	-	(3.31)	153.09	135.08	20.34	-	(2.31)	153.11	(0.02)	21.32
Letter of Credit	0.18	-	-	-	-	0.18	0.09	0.02	-	0.01	0.12	0.06	0.09
Other Intangible Assets (Including Goodwill)	174.57	12.88	-	-	(0.50)	186.95	44.38	31.26	-	(0.01)	75.63	111.32	130.19
Goodwill on Consolidation	1,091.90	149.76	-	-	157.64	1,399.30	-	-	-	-	-	1,399.30	1,091.90
Total (B)	**2,088.41**	**237.54**	**-**	**(25.13)**	**149.32**	**2,450.14**	**688.41**	**137.54**	**(8.36)**	**(10.26)**	**807.33**	**1,642.81**	**1,400.00**
Previous Year (2)	**1,765.02**	**348.01**	**0.12**	**(110.92)**	**86.18**	**2,088.41**	**505.86**	**145.19**	**20.45**	**16.91**	**688.41**	**1,400.00**	
Grand Total (A+B)	**4,172.95**	**386.80**	**-**	**(102.87)**	**144.92**	**4,601.80**	**1,617.48**	**273.37**	**(80.25)**	**(15.43)**	**1,795.17**	**2,806.63**	**2,555.47**
Previous Year (1+2)	**3,678.90**	**506.07**	**11.67**	**(93.50)**	**69.81**	**4,172.95**	**1,297.33**	**269.28**	**41.97**	**8.90**	**1,617.48**	**2,555.47**	
Capital Work-In-Progress												**12.42**	**18.00**

*** Notes:**

(1) The above amount includes Freehold land of ₹ 267.05 million (₹ 267.05 million) and Leasehold land of ₹ 340.35 million (₹ 340.35 million) which is considered as perpetual lease.

(2) Gross Block includes ₹ 317.231 million (₹ 317.23 million) being the amount added on revaluation of Land in the F.Y. 2008-09, based on report issued by approved independent valuer.

(3) 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 at Nashik is secured by way of creation of mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of title deeds with the bank.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

		Mar-17	Mar-16
10	**Non-current investments**		
(i)	**Trade Investments (valued at cost, unless stated otherwise)**		
	Investment in Preference shares - Unquoted		
	1,500,000 (Nil) 8% Compulsorily Convertible Redeemable Non-Cumulative Non- Participating Preference Shares of ₹ 10 each Handy Training Technologies Private Limited	15.00	-
	In capital of subsidiaries pending allotment		
	Lumina Datamatics Limited	-	312.00
	Investment in Equity Shares - Unquoted		
	In capital of subsidiaries pending allotment		
	LD Publishing & eRetail Limited	-	0.50
	In other instruments - Unquoted		
	Mypet Harmony LLC	3.44	0.60
		18.44	**313.10**
(ii)	**Other Investments**		
	Equity Shares - Quoted		
	900 (900) Equity Shares of ₹ 10 each of Cybertech Systems and Software Limited	0.51	0.51
	(Provided for diminution in value of investments ₹ 0.48 million (₹ 0.48 million))		
	6,838 (6,838) Equity Shares of ₹ 2 each of Wipro Limited	3.74	3.74
	5,000 (5,000) Equity shares of ₹ 1 each of Vikas WSP Limited	0.55	0.55
	(Provided for diminution in value of investments ₹ 0.52 million (₹ 0.52 million))		
	400 (400) Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.21	0.21
	8,998 (8,998) Equity Shares of ₹ 10 each of Coal India Limited	2.20	2.20
	38,767 (38,767) Equity Shares of ₹ 10 each of Powergrid Corporation of India Limted	3.49	3.49
	5,000 (5,000) Equity Shares of ₹ 2 each of Axis Bank Limited	1.22	1.22
	1,200 (1,200) Equity Shares of ₹ 2 each of Larsen and Toubro Limited	1.23	1.23
	35,200 (35,200) Equity Shares of ₹ 10 each of Global Offshore Services Limited	13.04	13.04
	(Provided for diminution in value of investments ₹ 11.52 million (₹ 6.57 million))		
	Mutual Fund - Quoted		
	24,680 (58,813) Units of HDFC Prudence Fund - Growth (Face Value of ₹ 10 each)	9.39	22.64
	54,737 (54,737) Units of Tata Balanced Fund - Growth (Face Value of ₹ 100 each)	9.39	9.39
	448,764 (448,764) Units of L&T India Prudence Fund - Growth (Face Value of ₹ 10 each)	8.75	8.75
	1,018,717 (1,018,717) Units of IIFL Income opportunities Fund - AIF - Growth (Face Value of ₹ 0.8916 each)	1.10	1.72
	2,000,000 (2,000,000) Units of ICICI Prudential FMP Series 73 - 1140 Days Plan E Growth (Face Value of ₹ 10 each)	20.00	20.00
	2,322,330 (2,322,330) Units of HDFC Short Term Opportunities Fund - Growth (Face Value of ₹ 10 each)	32.02	32.02
	Nil (1,000,000) Units of Birla Sun Life Fixed Term Plan - Series GI (1185 Days) - Growth (Face Value of ₹ 10 each)	-	10.00
	Nil (1,000,000) Units of Reliance FHF XXIV Series 3 - Growth (Face Value of ₹ 10 each)	-	10.00
	Nil (2,500,000) Units of Reliance FHF XXIV Series 11 - Growth (Face Value of ₹ 10 each)	-	25.00
	Nil (1,000,000) Units of ICICI Prudential Fixed Maturity Plan - Series 69 - 366 days Plan A (Face Value of ₹ 10 each)	-	10.00
	Nil (2,500,000) Units of Birla Sun Life Interval Income Fund-Annual Plan-X-Growth (Face Value of ₹ 10 each)	-	25.00
	Nil (1,000,000) Units of TATA Fixed Maturity Plan Series - 43 Scheme A - Growth (370 days) (Face Value of ₹ 10 each)	-	10.00
	Nil (893,974) Units of Birla Sun Life India Reforms Fund Growth (Face Value of ₹ 10 each)	-	13.25
	Debentures - Unquoted		
	Nil (5,000) debentures of ₹ 1,000 each of India Infoline Investment Services Limited @ 11.70%	-	5.00
	Nil (30) debentures of ECL Finance Limited - E6F401	-	3.05
	100 (Nil) Units of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures (Face Value of ₹ 100,000 each)	10.00	-
	Equity Shares - Unquoted		
	56 (56) Equity Shares of Dana Holding Corporation	0.39	0.39
		117.23	**232.40**
	Less : Provision for diminution in value of investments	12.51	7.57
	Total	**123.16**	**537.93**
	(All the above securities are fully paid up)		
	Aggregate of Quoted Investments	106.84	223.96
	Market Value of Quoted Investments	121.27	251.57
	Aggregate of Unquoted Investments	28.83	321.54
	Aggregate of Provision for diminution in value	12.51	7.57

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11 Deferred tax liabilities (net)

The components of deferred tax balances as at March 31, 2017 are as under:

(₹ Millions)

	Mar-17	Mar-16
Deferred tax liabilities		
- Depreciation	19.54	36.37
- Others	112.73	115.58
	132.27	**151.95**
Deferred tax assets		
-Employee benefits provision	42.65	33.29
-Provision for doubtful receivables, loans and advances	87.78	10.53
	130.43	**43.82**
Deferred tax liabilities (net)	**1.84**	**108.13**

(₹ Millions)

		Long-term		Short-term	
		Mar-17	Mar-16	Mar-17	Mar-16
12	**Loans and advances**				
	(Unsecured, considered good for value to be received in cash or in kind, unless otherwise specified)				
	Capital advance	3.21	-	-	-
	Deposits	85.27	76.04	5.91	11.09
	Fair value of outstanding forward contracts	6.84	12.78	120.59	49.99
	Other loans and advances				
	Inter corporate deposits	-	-	-	10.00
	Other loans and advances				
	- Considered good	4.86	5.99	74.02	33.05
	- Considered doubtful	-	-	-	7.00
		4.86	**5.99**	**74.02**	**40.05**
	Less: Provision for doubtful advances	-	-	-	7.00
		4.86	**5.99**	**74.02**	**33.05**
	Prepaid expenses	10.65	0.32	118.64	140.99
	Balance with Government authorities				
	- Advance income tax (net of provisions)	13.32	87.44	0.37	-
	- MAT credit entitlement	87.53	103.14	19.62	2.62
	- Advance indirect taxes	48.44	55.52	2.01	20.34
	Total	**260.12**	**341.23**	**341.16**	**268.08**

(₹ Millions)

		Non-current		Current	
		Mar-17	Mar-16	Mar-17	Mar-16
13	**Other assets**				
	Unbilled revenue	-	-	503.35	384.36
	Bank deposits	0.03	-	-	-
	Interest accrued on				
	- Long-term investments	-	-	-	0.59
	- Bank deposits	-	-	0.08	0.26
	Other receivables	4.76	1.76	3.64	26.49
	Total	**4.79**	**1.76**	**507.07**	**411.70**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

		Mar-17	Mar-16
14	**Current investments**		
	Mutual Funds - Quoted		
	986,236 (986,236) Units of ICICI Prudential Short Term Regular Plan - Growth (Face Value of ₹ 10 each)	26.10	26.10
	2,656 (88,418) Units of Reliance Liquid Fund TP - DDR (Face Value of ₹ 1,000 each)	1.50	135.17
	660,925 (660,925) Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each)	10.00	10.00
	947,720 (418,520) units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	53.56	20.74
	8,730 (8,730) Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each)	19.94	19.94
	1,565,527 (1,732,799) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	32.92	36.45
	490,259 (490,259) Units of HDFC Corporate Debt Opportunities Fund -Reg Growth (Face Value of ₹ 10 each)	5.00	5.00
	18,433 (1,363) Units of Reliance Liquid Fund - TP - Growth (Face Value of ₹ 1,000 each)	72.66	5.00
	500,000 (500,000) Units of ICICI Prudential FMP Series 72-823 Days Plan H Growth (Face Value of ₹ 10 each)	5.00	5.00
	250,000 (250,000) Units of HDFC Fixed Maturity Plans 840 Days - Series 29 - Growth (Face Value of ₹ 10 each)	2.50	2.50
	224,804 (342,037) Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	14.00	76.50
	292,004 (1,291,273) Units of Reliance Medium Term Fund - Direct Plan Growth Plan - Growth (Face Value of ₹ 10 each)	9.05	30.00
	16,202 (107,636) Units of ICICI Prudential Flexible Income - Regular Plan - Growth (Face Value of ₹ 100 each)	5.00	30.00
	500,000 (500,000) Units of UTI – Fixed Term Income Fund Series – XXII – VI (1098 days) - Growth (Face Value of ₹ 10 each)	5.00	5.00
	384,298 (384,298) Units of Templeton India Ultra Short Bond Fund - Growth (Face Value of ₹ 10 each)	7.60	7.60
	15,796 (26,621) Units of Birla Sun Life Saving Fund - Growth (Face Value of ₹ 100 each)	5.00	7.60
	467,849 (467,849) Units of Kotak Equity Saving Fund - Growth (Face Value of ₹ 10 each)	5.00	5.00
	742,026 (Nil) Units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	8.00	-
	133,518 (Nil) Units of TATA Short-Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.00	-
	2,166,507 (Nil) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	40.00	-
	35,689 (Nil) units of UTI Treasury Advantage Fund - IP - Growth (Face Value of ₹ 10 each)	80.00	-
	2,000,000 (Nil) Units of ICICI Prudential FMP Series73 -1140 Days Plan E Growth (Face Value of ₹ 10 each)	20.00	-
	Nil (1,950,054) Units of Templeton India Ultra Short Bond Fund - Super - IP -Growth (Face Value of ₹ 10 each)	-	35.18
	Nil (122,737) Units of Birla Sunlife Saving Fund - Growth (Face Value of ₹ 100 each)	-	34.61
	Nil (658,448) Units of Birla Sun Life Saving Fund - DDR (Face Value of ₹ 100 each)	-	66.04
	Nil (6,249,137) Units of Axis Short Term Fund - WDR (Face Value of ₹ 10 each)	-	63.39
	Nil (5,240,220) Units of ICICI Prudential Short Term Plan - Reg - FDR (Face Value of ₹ 10 each)	-	63.23
	Nil (3,896) Units of Taurus Short Term Income Fund - Direct Plan - Growth (Face Value of ₹ 1,000 each)	-	10.00
	Nil (2,710) Units of Axis liquid Fund - DDR (Face Value of ₹ 1,000 each)	-	2.71
	Nil (393,749) Units of HDFC Floting Rate Income Fund - STF - WP - Growth (Face Value of ₹ 10 each)	-	10.00
	Nil (878,012) Units of HDFC Floating Rate Income Fund - STF- WP - DDR (Face Value of ₹ 10 each)	-	8.85
	Nil (40,554) Units of Birla Cash plus Fund - DDR (Face Value of ₹ 100 each)	-	4.06
	Nil (526,614) Units of Edelweiss Absolute Return Fund - Growth (Face Value of ₹ 10 each)	-	9.59
	Nil (3,000,000) Units of ICICI Prudential FMP Series 78 - 95 Days Plan M (Face Value of ₹ 10 each)	-	30.00
	Advance towards Investments in Liquid Mutual Funds		
	Investment in ICICI Prudential Liquid Fund	40.00	-
	Investment in Reliance Liquid Fund	9.00	-
	Total	**480.83**	**765.26**
	(All the above securities are fully paid up)		
	Aggregate amount of quoted Investments	480.83	765.26
	Market value of quoted Investments	526.94	802.15

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(₹ Millions)

		Mar-17	Mar-16
15	**Trade receivables (unsecured)**		
	Over six months from the date they were due for payment		
	- Considered good	285.48	309.78
	- Considered doubtful	68.81	15.58
	Others		
	- Considered good	1,629.32	1,539.74
	- Considered doubtful	-	-
		1,983.61	**1,865.10**
	Less: Provision for doubtful debts	68.81	15.58
	Total	**1,914.80**	**1,849.52**

(₹ Millions)

		Mar-17	Mar-16
16	**Cash and bank balances**		
	Cash and cash equivalents		
	Balances with banks -		
	- In Current accounts	609.02	521.51
	- In Deposit accounts (Original maturity of less than 3 months)*	3.19	0.81
	- In Exchange Earner's Foreign Currency Account	75.58	91.40
	Cheques in hand	0.50	0.19
	Cash in hand (Refer note no. 27)	4.16	1.41
	Foreign currency in hand	0.44	0.33
		692.89	**615.65**
	Other bank balances		
	Balances with banks		
	- In Deposit accounts (Original maturity of more than 3 months and less than 12 months)*	1.94	4.07
	- In Unclaimed dividend accounts	1.42	8.13
		3.36	**12.20**
	Total	**696.25**	**627.85**

*Of the above ₹ 3.12 million (₹ 4.61 million) are marked as lien for guarantees issued by banks on behalf of the Group.

(₹ Millions)

		Mar-17	Mar-16
17	**Revenue from operations**		
	Sales from software services		
	Export	7,588.45	7,126.92
	Domestic	951.26	940.01
	Sale of products and Licenses		
	Export	107.80	73.34
	Domestic	23.73	21.51
	Total	**8,671.24**	**8,161.78**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(₹ Millions)

		Mar-17	Mar-16
18	**Other income**		
	Interest income from		
	- Non-current investments	0.24	0.22
	- Bank deposits	7.28	5.55
	- Others	6.95	0.56
	Dividend income from		
	- Current investments	5.85	16.06
	Profit on sale of		
	- Current investments	54.18	8.21
	- Non-current investments	13.52	3.35
	Gain on exchange difference (net)	98.90	81.01
	Liabilities / excess provision written back	2.23	2.43
	Miscellaneous income	5.94	18.53
	Total	**195.09**	**135.92**

(₹ Millions)

		Mar-17	Mar-16
19	**Employee benefits expense**		
	Salaries and allowances	4,750.27	4,632.95
	Contribution to provident and other funds (Refer Note no. 25)	228.70	249.63
	Share based compensation (Refer Note no. 31)	13.13	2.65
	Staff welfare expenses	166.90	170.78
	Total	**5,159.00**	**5,056.01**

(₹ Millions)

		Mar-17	Mar-16
20	**Finance costs**		
	Interest on loan - banks	25.28	61.33
	- others (Refer Note no. 28)	17.44	3.32
	Other financial charges	5.71	1.96
	Total	**48.43**	**66.61**

(₹ Millions)

		Mar-17	Mar-16
21	**Depreciation and amortisation expense**		
	Depreciation on tangible assets	135.83	124.09
	Amortisation of intangible assets	137.54	145.19
	Total	**273.37**	**269.28**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(₹ Millions)

		Mar-17	Mar-16
22	**Other expenses**		
	Technical fees (Refer Note no. 28)	536.16	570.96
	Knowledge associates / vendor charges (Refer Note no. 28)	490.46	430.15
	IT infrastructure and development cost	67.57	-
	Travelling expenses	394.51	376.50
	Recruitment expenses	34.33	25.07
	Rent	201.47	180.95
	Repairs and maintenance		
	- Buildings	14.29	15.12
	- Plant and machinery	56.59	85.22
	- Others	34.58	44.07
	Insurance	31.18	29.27
	Rates and taxes	28.59	23.93
	Electricity and water charges	109.37	110.56
	Link charges	35.52	36.46
	Communication charges	77.86	74.95
	Printing and stationery	30.06	28.73
	Subscription charges	18.99	15.23
	Legal and professional charges	146.17	129.39
	Board sitting fees	0.70	0.93
	Payment to auditors	10.83	12.22
	Corporate social responsibility expenses	2.03	1.92
	Hire and service charges	36.52	18.68
	Security charges	20.49	16.28
	Bank and other charges	9.22	7.58
	Advertisement and sales promotion expenses	36.90	34.84
	Sales commission and marketing expenses	9.32	8.02
	Entertainment expenses	9.92	11.00
	Provision for doubtful debts and advances	142.82	6.56
	Provision of diminution in value of investments	4.52	5.85
	Loss on sale / impairment / discard of fixed assets (net)	12.17	3.73
	Miscellaneous expenses	7.58	10.06
	Total	**2,610.72**	**2,314.23**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

23 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: (₹ Millions)

		Mar-17	Mar-16
(a)	**Claims against the Group not acknowledged as debt:**		
	(i) Income Tax matters	119.94	15.06
	(ii) Sales Tax matters	-	5.07
	(iii) Service Tax matters	23.11	6.93
(b)	**Bank Guarantee**		
	(i) Guarantees given by banks	114.46	1.41
(c)	**Capital and other commitments:**		
	(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	40.64	69.93
	(ii) Estimated amount payable under business development agreement to business consultant. (USD 0.26 million)	16.86	16.96

24 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:

(₹ Millions)

Particulars	Mar-17	Mar-16
Not later than one month	122.27	102.45
Later than one month and not later than three months	121.44	224.98
Later than three months and not later than one year	666.59	885.97
Later than one year	418.81	318.77
Total	**1,329.11**	**1,532.17**

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(₹ Millions)

Foreign Currency	Mar-17			Mar-16		
	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	148	319.72	43.49	165	13.16	16.76
Euro	8	0.31	3.41	57	2.32	5.04
Sterling Pound	61	3.68	51.73	93	3.78	36.04
Total			**98.63**			**57.84**

Net profit / (loss) on derivative instruments of ₹ 98.63 million (₹ 57.84 million) recognised in Hedging Reserve as of March 31, 2017, is expected to be reclassified to the Statement of Profit and Loss by March 31, 2019.

The Group has applied the principles of Cash Flow Hedge Accounting as per Accounting Standards (AS) - 30, Financial Instrument: Recognition and Measurement, to the extent that application of AS 30 did not conflict with existing accounting standards and other authoritative pronouncement of the Company Law and other regulatory requirements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The Institute of Chartered Accountants of India (ICAI) has issued a guidance note on accounting for derivative contracts (guidance note) on May 12,2015 and the guidance note becomes applicable for accounting periods beginning on or after April 1, 2016. As Per Management, the application of guidance note will note have any major accounting impact on transition date i.e. April 1, 2016.

25 Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures are as under :

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.

(₹ Millions)

		Mar-17	Mar-16
	Defined Contribution Plan		
I.	**Charge to the Statement of Profit and Loss based on contributions:**		
	Employers contribution to provident fund	109.78	105.07
	Employers contribution to other foreign defined contribution plans	97.56	123.80
	Employers contribution to employees' state insurance	13.23	12.49
	Employers contribution to employees' pension scheme 1995	7.58	7.68
	Employers contribution to labour welfare fund and others	0.55	0.59
	Included in contribution to provident fund and other funds (Refer Note no. 20)	**228.70**	**249.63**

(₹ Millions)

	Defined Benefit Plan	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
		Mar-17	Mar-17	Mar-16	Mar-16
I.	**Disclosures for defined benefit plans based on actuarial reports as on March 31, 2017**				
A.	**Change in Defined Benefit Obligation:**				
	Present Value of Defined Benefit Obligation as at the beginning of the year	87.70	65.13	92.81	47.14
	Interest Cost	7.40	5.08	7.01	3.73
	Current Service Cost	11.43	15.51	11.49	12.66
	Acquisition / Business Combination / Divestiture	1.05	-	-	-
	Benefits Paid	(23.12)	(25.48)	(18.28)	(22.32)
	Actuarial (Gain) / Loss	10.73	14.32	(5.33)	23.92
	Present Value of Defined Benefit Obligation as at the end of the year	**95.19**	**74.56**	**87.70**	**65.13**
	Included in Long-Term and Short-Term Provisions (Refer Note no. 6)				
B.	**Changes in Fair Value of Assets:**				
	Fair Value of Plan Asset as at beginning of the year	-	-	1.62	-
	Expected return on Plan Assets	-	-	-	-
	Contributions by the employer	23.12	25.48	18.28	22.32
	Benefits Paid	(23.12)	(25.48)	(19.90)	(22.32)
	Actuarial gain/(loss)	-	-	-	-
	Fair Value of Plan Asset as at end of the year	-	-	-	-
C.	**Amount recognised in the Balance Sheet:**				
	Present value of defined benefit obligation as at end of the year	(95.19)	(74.56)	(87.70)	(65.13)
	Net Asset / (Liability) recognised in Balance Sheet (Refer Note no. 6)	**(95.19)**	**(74.56)**	**(87.70)**	**(65.13)**
D.	**Expenses recognised in the Statement of Profit and Loss:**				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(₹ Millions)

	Defined Benefit Plan	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
		Mar-17	Mar-17	Mar-16	Mar-16
	Current Service Cost	11.43	15.51	11.49	12.66
	Interest Cost	7.40	5.08	7.01	3.73
	Actuarial (Gain) / Loss	10.73	14.32	(5.33)	23.92
	Total Expenses recognised in the Statement of Profit and Loss	**29.56**	**34.91**	**13.17**	**40.31**
	Included in Salaries and allowances (Refer Note no. 19)				
E.	**Principal Actuarial Assumptions used:**				
	1. Discount Rate (per annum)	7.16%		7.80%	
	2. Salary Escalation	4.50%		4.50%	
	3. Mortality table	Indian Assured Lives Mortality (2006-2008)		Indian Assured Lives Mortality (2006-2008)	

26 Segment Information

The Management Information System of the Group identifies and operates in a single primary business segment. In the opinion of the Management these activities are governed by the same set of risks and returns as per AS-17 segment reporting. Secondary segment reporting is on the basis of the geographical location of customers.

Geographic Segment

Revenue attributable to the location of the customers is as follows :

(₹ Millions)

Geographic Location	Mar-17	Mar-16
USA	5,630.15	5,527.72
Europe	1,521.74	1,472.81
Rest of World	1,519.35	1,161.25
Total	**8,671.24**	**8,161.78**

27 Details of Specified Bank Notes (SBN)

The details of holding and dealing in SBNs by the Company during the period from November 8, 2016 to December 30, 2016 are as follows:

Particulars	Sepecified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**1,589,000**	**827,333**	**2,416,333**
(+) Permitted receipts	-	1,042,353	1,042,353
(-) Permitted payments	-	786,375	786,375
(-) Amount deposited in banks	1,589,000	2,470	1,591,470
Closing cash in hand as on December 30, 2016	**-**	**1,080,841**	**1,080,841**

28 Related Party Disclosures

(i) As per Accounting Standard 18, as notified by the rules the disclosures of related parties and transactions during the year as deemed in the Accounting Standard are given below:

(A) Key Managerial Personnel

Dr. Lalit S. Kanodia
Mr. Rahul L. Kanodia
Mr. Sameer L. Kanodia
Ms. Divya Kumat
Mr. Sandeep Mantri (w.e.f. November 11, 2016)
Mr. Siddharth B. Saboo (till May 31, 2016)
Mr. Vidur V. Bhogilal (till September 21, 2015)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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(B) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel

Mrs. Asha L. Kanodia
Mrs. Aneesha Dalmia
Mrs. Priyadarshini Kanodia
Mr. Vidur V. Bhogilal (w.e.f. September 22, 2015)
Datamatics Staffing Services Limited
Datamatics Employees Welfare Trust
Datamatics Financial Services Limited

(C) Holding Company

Delta Infosolutions Private Limited

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

(₹ Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Revenue from operations	**-**	**-**	**0.14**	**-**	**-**	**-**
Datamatics Financial Services Limited	-	-	0.14	-	-	-
Outsourcing cost	**-**	**-**	**1.76**	**8.72**	**-**	**-**
Datamatics Staffing Services Limited	-	-	1.76	8.72	-	-
Expenses incurred for related parties	**-**	**-**	**0.01**	**-**	**-**	**-**
Datamatics Staffing Services Limited	-	-	0.01	-	-	-
Managerial remuneration	**23.27**	**24.20**	**17.53**	**-**	**-**	**-**
Dr. Lalit S. Kanodia	6.38	6.27	-	-	-	-
Mr. Rahul L. Kanodia	9.79	8.49	-	-	-	-
Mr. Sameer L. Kanodia	7.10	4.73	-	-	-	-
Mr. Vidur V. Bhogilal	-	4.71	17.53	-	-	-
Salaries and allowances	**10.31**	**6.68**	**2.60**	**1.94**	**-**	**-**
Mr. Siddharth B. Saboo	1.80	1.32	-	-	-	-
Mr. Sandeep Mantri	2.10	-	-	-	-	-
Ms. Divya Kumat	6.41	5.36	-	-	-	-
Mrs. Priyadarshini R. Kanodia	-	-	2.60	1.94	-	-
Commission	**6.50**	**9.00**	**0.15**	**0.20**	**-**	**-**
Dr. Lalit S. Kanodia	3.25	4.50	-	-	-	-
Mr. Rahul L. Kanodia	3.25	4.50	-	-	-	-
Mrs. Asha L. Kanodia	-	-	0.15	0.20	-	-
Proposed dividend	**-**	**1.18**	**-**	**1.21**	**-**	**7.95**
Dr. Lalit S. Kanodia	-	0.81	-	-	-	-
Mr. Rahul L. Kanodia (Nil (₹ 52))	-	0.00	-	-	-	-
Mr. Sameer L. Kanodia	-	0.37	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	-	0.38	-	-
Mrs. Asha L. Kanodia	-	-	-	0.83	-	-
Delta Infosolutions Private Limited	-	-	-	-	-	7.95
Interim dividend	**-**	**2.36**	**-**	**2.41**	**-**	**15.91**
Dr. Lalit S. Kanodia	-	1.62	-	-	-	-
Mr. Rahul L. Kanodia (Nil (₹ 104))	-	0.00	-	-	-	-
Mr. Sameer L. Kanodia	-	0.74	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	-	0.76	-	-
Mrs. Asha L. Kanodia	-	-	-	1.65	-	-

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(₹ Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Delta Infosolutions Private Limited	-	-	-	-	-	15.91
Board sitting fees	**-**	**-**	**0.13**	**0.18**	**-**	**-**
Mrs. Asha L. Kanodia	-	-	0.13	0.18	-	-
Recruitment expenses	**-**	**-**	**0.78**	**0.34**	**-**	**-**
Datamatics Staffing Services Limited	-	-	0.78	0.34	-	-
Legal and professional fees	**-**	**-**	**3.45**	**0.95**	**-**	**-**
Datamatics Financial Services Limited	-	-	0.27	0.28	-	-
Mrs. Aneesha Dalmia	-	-	3.18	0.67	-	-
Miscellaneous income	**-**	**-**	**-**	**48.59**	**-**	**-**
Datamatics Employee Welfare Trust	-	-	-	48.59	-	-
Interest expenses	**6.55**	**0.80**	**2.45**	**0.30**	**-**	**-**
Dr. Lalit S. Kanodia	2.05	0.25	-	-	-	-
Mr. Sameer L. Kanodia	4.50	0.55	-	-	-	-
Mrs. Asha L. Kanodia	-	-	2.45	0.30	-	-
Borrowings	**-**	**72.80**	**-**	**27.20**	**-**	**-**
Dr. Lalit S. Kanodia	-	22.80	-	-	-	-
Mr. Sameer L. Kanodia	-	50.00	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	27.20	-	-
Loans and advances refunded during the year	**-**	**-**	**-**	**62.69**	**-**	**-**
Datamatics Employee Welfare Trust	-	-	-	62.69	-	-
Loans and advances balance receivables	**-**	**-**	**0.48**	**-**	**-**	**-**
Datamatics Staffing Services Limited	-	-	0.48	-	-	-
Payables	**85.85**	**82.53**	**31.30**	**27.76**	**-**	**-**
Dr. Lalit S. Kanodia	28.10	27.53	-	-	-	-
Mr. Rahul L. Kanodia	3.25	4.50	-	-	-	-
Mr. Sameer L. Kanodia	54.50	50.50	-	-	-	-
Mrs. Asha L. Kanodia	-	-	29.65	27.67	-	-
Mrs. Aneesha Dalmia	-	-	1.52	-	-	-
Datamatics Staffing Services Limited	-	-	0.10	0.07	-	-
Datamatics Financial Services Limited	-	-	0.03	0.02	-	-
Receivables	**-**	**-**	**0.35**	**0.07**	**-**	**-**
Datamatics Financial Services Limited	-	-	0.35	0.07	-	-

Note: Related parties are identified by the management and relied upon by the auditors.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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29 Earnings Per Share

The Components of basic and diluted earnings per share were as follows :

Particulars		Mar-17	Mar-16
(a)	Net Profit after taxation attributable to equity shareholders (₹ Millions)	901.31	448.32
(b)	Extraordinary Item	-	48.59
(c)	Net Profit Before Extraordinary Item (₹ Millions)	901.31	399.73
(d)	Weighted average number of Outstanding equity shares considered for Basic EPS	58,949,337	58,949,337
(e)	Dilutive Impact on Net Profit after Minority Interest on potential conversion of outstanding Preference Shares (₹ Millions)	-	8.87
	Dilutive impact on Net Profit after Minority Interest on potential conversion of outstanding ESOP Shares (₹ Millions)	2.84	-
(f)	Net Profit after taxation attributable to equity shareholders on potential conversion of outstanding Preference Shares (₹ Millions)	898.47	439.45
(g)	Net Profit after taxation before extraordinary item attributable to equity shareholders on potential conversion of outstanding Preference Shares (₹ Millions)	898.47	390.85
	(Nominal value per share ₹ 5 each)		
(h)	Earnings per share (Before Extraordinary Item)		
	Basic earning per share (in ₹) (c/d)	15.29	6.78
	Diluted earning per share (in ₹) (g/d)	15.24	6.63
(i)	Earnings per share (After Extraordinary Item)		
	Basic earning per share (in ₹) (a/d)	15.29	7.61
	Diluted earning per share (in ₹) (f/d)	15.24	7.45

30 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 no. 22. 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 in respect of non cancellable residential and office premises:

(₹ Millions)

	Mar-17	Mar-16
Amount due within one year from the balance sheet date	126.24	84.00
Amount due in the period between one year and five years	199.41	40.80
Amount due later than five years	-	-
The Following Lease payments are recognised in Statement of Profit and Loss :		
Lease Rent	201.47	180.95

Note:

(a) Future lease payments are determined on the basis of terms of the lease agreement.

(b) A t the expiry of term of the agreement, the Group has an option either to return the leased assets or extend the term by giving a notice in writing.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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31 Restricted Stock Unit Plan 2016

One of the subsidiary (the 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 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 ₹ 13.13 million (Nil) has been expensed out considering the proportionate vesting period, which has been included in Employee benefits expense and the same has been disclosed under Reserves and Surplus - Employee Stock Option Outstanding.

32 The Datamatics Employees Welfare Trust (Trust) had purchased 1,753,261 share of the Company for granting stock options to employees. The purchases were financed by loans from the Company. During the previous year 2015-16, Trust was liquidated and ₹ 48.59 million had received and shown as extraordinary items. The amount includes ₹ 40.29 million towards profit on sale of investments and balance towards other income net of expenses over the years.

33 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 of profit or loss	
	As % of consolidated net assets	₹ Millions	As % of consolidated profit or loss	₹ Millions
Datamatics Global Services Limited	47.26%	4,693.34	45.61%	218.29
Subsidiaries				
Indian				
Cignex Datamatics Technologies Limited	2.54%	252.69	0.83%	3.99
Cybercom Datamatics Information Solutions Limited	1.80%	178.35	5.75%	27.52
Lumina Datamtics Limited	17.97%	1,784.88	14.53%	69.56
LD Publishing & eRetail Limited	0.01%	0.50	0.00%	-
LDR eRetail Limited	0.22%	21.97	(1.87%)	(8.93)
Attune Infocom Private Limited	0.02%	1.51	0.67%	3.19
Scalsys Technologies Private Limited	(0.02%)	(2.33)	(0.31%)	(1.50)
Foreign				
Datamatics Global Services Inc.	6.00%	596.17	16.19%	77.51
Datamatics Global Services GmbH	0.05%	5.13	(6.10%)	(29.18)
Datamatics Infotech Limited	0.79%	78.07	2.98%	14.24
Datamatics Technologies UK Limited	0.00%	-	5.06%	24.20
Datamatics Global Services Pty. Limited	0.06%	6.29	0.63%	3.00
Datamatics Global Technologies Limited	9.77%	970.60	2.95%	14.11
Datamatics Global Technologies AG	0.02%	2.11	0.06%	0.26
Datamatics Global Technologies GmbH	0.00%	-	(0.25%)	(1.20)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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	Net Assets i.e. total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	₹ Millions	As % of consolidated profit or loss	₹ Millions
Cignex Datamatics Corporation	0.27%	26.34	0.00%	-
Cignex Datamatics Inc.	0.91%	90.55	(4.92%)	(23.55)
Cignex Datamatics Pte. Limited	0.06%	6.20	0.38%	1.80
Cignex Datamatics UK Limited	0.00%	(0.21)	0.43%	2.08
Cignex Datamatics GmbH	0.00%	(0.20)	0.23%	1.12
Duo Consulting, Inc. (earlier known as DuoDesign, LLC)	0.16%	16.16	(2.94%)	(14.09)
Elevondata Labs Holdings Inc	0.04%	3.71	(0.31%)	(1.47)
Datamatics Global Services FZ LLC	1.26%	124.74	10.10%	48.36
Datamatics Global Services Corp.	0.00%	(0.25)	(0.05%)	(0.25)
Lumina Datamatics Inc.	9.73%	965.97	16.91%	80.94
Lumina Datamatics GmbH	0.14%	13.54	0.21%	1.02
Lumina Datamatics Assessment and Analytics, LLC	0.97%	95.86	(6.76%)	(32.37)
Total	**100.00%**	**9,931.70**	**100.00%**	**478.65**
Adjustments arising out of consolidation		**(4,884.62)**		**410.44**
Minority Interest				
Indian Subsidiaries				
Cybercom Datamatics Information Solutions Limited		88.28		(13.61)
LDR eRetail Limited		-		0.35
Lumina Datamtics Limited		-		(5.25)
Attune Infocom Private Limited		2.30		(1.56)
Scalsys Technologies Private Limited		(1.34)		0.20
Foreign Subsidiaries				
Lumina Datamatics Assessment and Analytics, LLC		22.81		17.43
Cignex Datamatics Corporation		145.66		9.84
Duo Consulting, Inc. (earlier known as DuoDesign, LLC)		0.70		4.79
Elevondata Labs Holdings Inc		1.16		0.03
Total		**(4,625.05)**		**422.66**
Consolidated Net Assets / Profit after tax		**5,306.64**		**901.31**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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34 Exceptional Item - a) A subsidiary of the Company, had issued preference shares worth ₹ 771.76 million to outside shareholder in earlier year. During year, the same was purchased / bought back by the Company/subsidiary for ₹ 217.80 million respectively, resulting in total exceptional gain of ₹ 303.96 million. Considering the fact that preference shares are a financial liability and bought back from outside shareholders, the resultant gain recognised as exceptional gain.

b) One of the step down subsidiary also discontinued its business. Hence the Group has provided for loss of ₹ 32.88 million which is considered as exceptional item.

35 In terms of Section 22 of the 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.

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

37 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

Arati Parmar
Partner
Membership No. 102888

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
Senior Vice President - Legal
& Company Secretary

Sandeep Mantri
Chief Financial Officer

Place : Mumbai
Date : May 23, 2017

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

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

We have audited accompanying standalone financial statements of DATAMATICS GLOBAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2017 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;

b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and

c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

Attention is drawn to Note no. 34 , the Company has an investment of ₹ 646.30 million in two of its wholly owned subsidiaries and also extended loans and advances of ₹ 9.52 million to these subsidiaries as on March 31, 2017. The net worth of these subsidiaries has declined. We are given to understand that, these investments are for long term and of strategic nature and the management is confident of turning around the subsidiaries in the near future. In view of this, we are unable to comment on whether provision if any, for the diminution in the value of investments is required to be made.

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

Report on other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.

   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of Companies Act, 2013, 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, 2017 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.

   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"; and

   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, 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 financial statements (Refer Note no. 23 to the standalone financial statements);

      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 during the year ended March 31, 2017.

      iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the company and as produced to us by the management (Refer Note no. 30 to the standalone financial statements).

For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration Number: 104746W/W100096

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: May 23, 2017

ANNEXURE A
TO THE AUDITORS' REPORT

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of DATAMACTICS GLOBAL SERIVES LIMITED for the year ended March 31, 2017

i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets other than assets located at premises other than Company's premises.

(b) The fixed assets were physically verified during the year 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. According to the information and explanation given to us, no material discrepancies were noticed on such verification

(c) On the basis of our examination and as explained to us, 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. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, and 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 (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, sales tax, service tax, duty of custom, duty of excise duty, value added tax, cess and 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, 2017 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating ₹ 28.34 million pending before the appropriate authorities are as under:

Sr no	Name of Statute	Nature of dues	Forum where the dues is pending	₹ in Million
1	Income Tax	Income Tax	ACIT AY 2012-13	12.16
2	Service Tax	Service Tax	Commissioner Appeal	16.18
TOTAL				**28.34**

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 financial institution, bank or debenture holders as at the Balance Sheet date.

ix. The company has not raised any moneys by way of public issue/ further offer including debt instruments. The moneys raised on Term loans have 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. The managerial remuneration paid by the company is in accordance with the requisite approvals mandated by the provisions of Section

ANNEXURE A
TO THE AUDITORS' REPORT

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 Company is not a Nidhi Company.

xiii. The Company has complied with the provisions of Section 177 and 188 of Companies Act, 2013 in respect of transactions with the related parties and has disclosed the details in the Financial Statements in accordance with the accounting standards.

xiv. The company has not made any preferential allotment or private placement of shares or has fully or partly convertible debentures during the year under review.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

xvi. According to the information and explanations given to us the company is not required to obtain registration under Section 45 IA of the Reserve Bank of India Act, 1934 and therefore clause XVI is not applicable.

For Kanu Doshi Associates LLP
Chartered Accountants
Firm registration No: 104746W/W100096

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: May 23, 2017

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")

We have audited the internal financial controls over financial reporting of **Datamatics Global Services Limited** ("the Company") as of 31 March 2017 in conjunction with our audit of the 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 Act, to the extent 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 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 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.

ANNEXURE B
TO THE AUDITORS' REPORT

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, 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 31 March 2017, 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 Kanu Doshi Associates LLP
Chartered Accountants
Firm registration No: 104746W/W100096

Arati Parmar
Partner
Membership No: 102888

Place: Mumbai
Date: May 23, 2017

BALANCE SHEET
AS AT MARCH 31, 2017

(₹ Millions)

	Note	Mar-17	Mar-16
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	294.75	294.75
Reserves and surplus	4	4,398.59	4,148.45
		4,693.34	**4,443.20**
Non-current Liabilities			
Long-term borrowings	5	80.41	346.45
Deferred tax liabilities (net)	11	-	8.23
Other long-term liabilities	8	0.64	0.34
Long-term provisions	6	92.02	79.42
		173.07	**434.44**
Current Liabilities			
Short-term borrowings	7	142.67	85.62
Trade payable			
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	8	322.80	175.40
Other current liabilities	8	326.15	218.79
Short-term provisions	6	16.16	60.94
		807.78	**540.75**
Total		**5,674.19**	**5,418.39**
ASSETS			
Non-Current Assets			
Fixed assets	9		
Property, plant and equipment		1,018.53	989.76
Intangible assets		143.21	175.89
Capital work-in-progress		7.68	18.00
		1,169.42	**1,183.65**
Non-current investments	10	2,628.07	2,684.90
Deferred tax assets (net)	11	80.14	-
Long-term loans and advances	12	159.84	244.59
Other non-current assets	13	1.75	1.76
		4,039.22	**4,114.90**
Current Assets			
Current investments	14	308.72	315.08
Trade receivables	15	800.81	668.53
Cash and bank balances	16	118.80	146.36
Short-term loans and advances	12	237.79	116.65
Other current assets	13	168.85	56.87
		1,634.97	**1,303.49**
Total		**5,674.19**	**5,418.39**

The accompanying notes forming an integral part of the financial statements 1 - 45

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

Arati Parmar
Partner
Membership No. 102888

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
Senior Vice President - Legal
and Company Secretary

Sandeep Mantri
Chief Financial Officer

Place : Mumbai
Date : May 23, 2017

STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED MARCH 31, 2017

(₹ Millions)

	Note	Mar-17	Mar-16
Revenue			
Revenue from operations	17	3,057.12	2,816.09
Other income	18	188.35	122.79
Total		**3,245.47**	**2,938.88**
Expenses			
Purchase of IT products and licenses		11.88	6.22
Employee benefits expense	19	1,839.74	1,651.27
Finance cost	20	37.59	55.27
Depreciation and amortisation expense	21	138.71	123.39
Other expenses	22	847.19	674.48
Total		**2,875.11**	**2,510.63**
Profit before exceptional item		**370.36**	**428.25**
Exceptional item (Refer note no.38)		(154.11)	(65.66)
Profit after exceptional item and before extraordinary item		**216.25**	**362.59**
Extraordinary item		-	48.59
Profit before tax		**216.25**	**411.18**
Less : Tax expense			
Current tax - Current year		90.53	102.30
- Earlier year		(3.33)	(2.74)
Deferred tax charge / (benefit)		(88.37)	27.76
MAT credit entitlement - earlier year		(0.87)	(39.66)
Profit after tax		**218.29**	**323.52**
Earnings per equity share (face value ₹ 5 each)			
Basic and diluted (in ₹)		3.70	5.49

The accompanying notes forming an integral part of the financial statements 1 - 45

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

Arati Parmar
Partner
Membership No. 102888

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
Senior Vice President - Legal
and Company Secretary

Sandeep Mantri
Chief Financial Officer

Place : Mumbai
Date : May 23, 2017

CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2017

(₹ Millions)

Particulars	Mar-17	Mar-16
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net Profit before Tax	216.25	411.18
Adjusted for:		
Depreciation and amortization expenses	138.71	123.39
Finance cost	37.59	55.27
Loss on sale of fixed assets	0.19	0.16
Sundry balances written back	(0.27)	(0.12)
Interest income from fixed deposits and others	(12.91)	(5.28)
Dividend received	(0.30)	(13.97)
Profit on sale of investments	(51.79)	(52.01)
Employee stock option expenses	-	2.65
Provision for diminution in the value of investment	162.43	65.66
Bad debts written off	-	8.36
Exchange difference on translation of foreign currency monetary items	33.92	12.94
	307.56	**197.05**
Operating profit before working capital changes	**523.81**	**608.23**
Adjusted for:		
Increase in trade receivables	(128.69)	(241.31)
(Increase)/decrease in loans and advances	(207.21)	278.96
Increase in trade and other liabilities	171.21	106.62
	(164.69)	**144.27**
Cash Generated from Operating Activities	**359.12**	**752.50**
Taxes paid (Net of tax refund received)	57.66	143.98
Net Cash From Operating Activities	**301.46**	**608.52**
B. CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(124.82)	(222.50)
Sale of fixed assets	3.80	0.35
Sale of investments	410.78	123.50
Proceeds from buyback of preference shares in subsidiaries	112.52	-
Purchase of investments	(206.46)	(268.16)
Payment towards acquisition of minority share in subsidiary	(330.00)	-
Interest income from fixed deposits and others	13.64	5.28
Dividend received	0.30	13.97
Net Cash used in Investing Activities	**(120.24)**	**(347.56)**
C. CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of long-term and short-term borrowings	(112.45)	(74.22)
Finance cost	(37.59)	(55.27)
Equity dividends paid including taxes thereon	(17.74)	(78.97)

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2017

(₹ Millions)

Particulars	Mar-17	Mar-16
Net Cash Flow used in Financing Activities	**(167.78)**	**(208.46)**
Net increase in Cash and Cash equivalent during the year	13.44	52.50
Cash and Cash equivalents as at beginning of the year	136.48	96.92
Exchange difference on translation of foreign currency cash and cash equivalents	(33.92)	(12.94)
Cash and Cash equivalents as at the end of the year	**116.00**	**136.48**
Earmarked balances with banks	2.80	9.88
Cash and Bank balances at the end of the year	118.80	146.36

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

Arati Parmar
Partner
Membership No. 102888

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 and CEO

Divya Kumat
Sr. Vice President - Legal
and Company Secretary

Sandeep Mantri
Chief Financial Officer

Place : Mumbai
Date : May 23, 2017

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

1. Company Overview

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

I. Basis of Preparation of Financial Statements:

These financial statements are prepared in accordance with Indian Generally Accepted Accounting Pinciples (GAAP) on the basis of going concern concept and under the historical cost convention except for certain fixed assets which are revalued. The Company adopts accrual basis in preparation of its financial statements to comply in all material aspects with the Accounting Standards as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, unless otherwise mentioned in the notes.

II. 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.

III. Revenue Recognition:

Revenue from services is recognised based on time and material and billed to the clients as per the terms of the contract. In the case of fixed price contracts, revenue is recognised on periodical basis based on units executed and delivered.
Revenue / Income from sale of traded goods is recognised on dispatch of goods. Sales are exclusive of taxes, wherever applicable.

Revenue from software development on a time and material basis is recognised based on software developed and billed on clients as per the terms of specific contracts.

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

Interest on deployment of funds is recognised on accrual basis. Dividend income is recognised when right to receive dividend is established. Profit on sale of investments is recognised on sale of investments.

IV. Property, plant and equipment, Intangible assets and Capital work-in-progress:

Property, plant and equipments are valued at cost, except for certain property, plany and equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Intangible assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Capital work-in-progress includes assets not put to use before the year end.

V. Depreciation and Amortization:

Depreciation on property, plant and equipment is provided on the Straight Line Method except for leasehold and freehold land as per the useful life

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

and in the manner prescribed in Schedule II to Companies Act, 2013. Intangible assets including internally developed intangible assets are amortized over a period of three years for which the Company expects the benefits to accrue. Non-Compete fees and copyrights are amortised over a period of five years. Goodwill generated on account of amalgamation is amortised over a period of five years. Leasehold Premises is amortized on the Straight Line Method over the period of the 30 years.

VI. Valuation of Inventories:

Inventory, if any, is valued at cost (arrived on FIFO basis) or net realizable value, whichever is lower. Custom Duty on the goods where title has passed to the Company is included in the value of inventory.

VII. Investments:

Investments classified as non-current investments are stated at cost. Provision is made to recognise any diminution, other than temporary, in the carrying value of each investment. Current investments are carried at lower of cost and fair value of each investment.

VIII. Employee Benefits:

(i) Defined Contribution Plan

Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred.

(ii) Defined Benefit Plan

Company's liabilities towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

IX. Foreign Exchange Transactions:

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

(ii) 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.

(iii) 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.

X. Derivative Instruments and Hedge Accounting:

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

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in Shareholders' Funds 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 Shareholders' Funds 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 Shareholders' Funds is transferred to the Statement of Profit and Loss for the year.

XI. Leases:

Lease under which the Company assumes substantially all the risks and rewards of ownership are classified as Finance Leases. The leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are classified as operating lease. Operating lease payments are recognised as expenses in the Statement of Profit and Loss.

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

XII. Income Tax:

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

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

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, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT Credit Entitlement.

XIII. Borrowing Cost:

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.

XIV. 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.

XV. Earnings per Share:

In determining Earnings per Share, the Company considers the net profit after tax after reducing the preference dividend and tax thereon and includes the post-tax effect of any extra-ordinary items. 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.

XVI. Employee Stock Option Scheme:

Employee Compensation in the form of stock options granted under various schemes are charged to the Statement of Profit and Loss, based on Intrinsic value method, over the vesting period.

XVII. Impairment of Assets:

The carrying value of assets is reviewed for impairment, when events or changes in circumstance indicate that the carrying values may not be recoverable. In addition, at each balance sheet date, the Company assesses whether there is any indication that an assets may be impaired. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the net selling price and Value-in-use. In assessing Value-in-use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor.

XVIII. Provision, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

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.

XIX. 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.

XX. Segment Reporting:

Primary segment is identified based on the nature of products and services, the different risks and returns and the internal business reporting system. Secondary segment is identified based on geographical area in which major operating divisions of the Company operate.

XXI. Service tax input credit :

Service tax input credit of Company is accounted for in the books in the year in which the underlying service received is accounted and when there is no uncertainty in availing/utilising the credits.

XXII. Prior period adjustments, extra-ordinary items and changes in accounting policies:

Prior period adjustments, extra-ordinary items and changes in accounting policies, if any, having material impact on the financial affairs of the Company are disclosed.

(₹ Millions)

		Mar-17	Mar-16
3	**Share capital**		
	Authorised		
	104,000,000 (104,000,000) Equity shares of ₹ 5 each	520.00	520.00
	45,550,000 (45,550,000) Redeemable Preference shares of ₹ 10 each	455.50	455.50
		975.50	**975.50**
	Issued, subscribed and paid up		
	58,949,337 (58,949,337) Equity shares of ₹ 5 each fully paid up	294.75	294.75
	Total	**294.75**	**294.75**

a) Reconciliation of number of Equity Shares and Share capital

	Mar-17		Mar-16	
	Number of equity shares	₹ Millions	Number of equity shares	₹ Millions
At the beginning of the year	58,949,337	294.75	58,949,337	294.75
Outstanding at the end of the year	**58,949,337**	**294.75**	**58,949,337**	**294.75**

b) 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 application 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

NOTES TO THE FINANCIAL STATEMENTS
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held on May 23, 2017 proposed a Dividend of ₹ 0.75 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September 14, 2017. The total dividend appropriation for the year ended March 31, 2017 amounted to ₹ 44.21 million and corporate dividend tax of ₹ 9.05 million.

c) Shares held by holding company

(₹ Millions)

	Mar-17	Mar-16
31,813,742 (31,813,742) Equity shares of ₹ 5 held by Delta Infosolutions Private Limited	159.07	159.07

d) Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the company

	Mar-17		Mar-16	
	Number of Shares	% of aggregate number of shares	Number of Shares	% of aggregate number of shares
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,230,995	5.48%	3,230,995	5.48%
Asha Lalit Kanodia	3,305,258	5.61%	3,305,258	5.61%

As per the records of the Company, including its register of shareholders / members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(₹ Millions)

		Mar-17	Mar-16
4	**Reserves and surplus**		
	Capital Reserve		
	As per last Balance Sheet	35.60	3.52
	Add: As per Scheme of Amalgamation(Refer Note No.35)	-	32.08
		35.60	**35.60**
	Capital Redemption Reserve		
	As per last Balance Sheet	244.28	244.28
		244.28	**244.28**
	Securities Premium		
	As per last Balance Sheet	1,080.08	1,080.08
		1,080.08	**1,080.08**
	Hedging Reserve (Refer Note no. 25)		
	As per last Balance Sheet	53.65	72.19
	Add / (Less) : Change in fair value of contracts	31.85	(18.54)
		85.50	**53.65**
	General Reserve		
	As per last Balance Sheet	1,077.14	1,077.14
		1,077.14	**1,077.14**
	Surplus in Statement of Profit and Loss		
	As per last Balance Sheet	1,657.70	1,384.78
	Add : Profit for the year	218.29	323.52
	Less : Appropriations		
	Proposed dividend on Equity Shares	-	14.74
	Interim Dividend on Equity shares	-	29.47
	Tax on dividend on Equity Shares	-	6.39
		1,875.99	**1,657.70**
	Total	**4,398.59**	**4,148.45**

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(₹ Millions)

		Non-current		Current	
		Mar-17	Mar-16	Mar-17	Mar-16
5	**Long-term borrowings**				
	Secured				
	Term loans from banks*	**80.41**	**246.45**	**160.83**	**164.30**
		80.41	246.45	160.83	164.30
	Unsecured				
	Loan from directors** (Refer Note no. 31)	**-**	**100.00**	**100.00**	**-**
		-	100.00	100.00	-
	Less : Amount disclosed under the head "Other liabilities" (Refer Note no. 8)	-	-	260.83	164.30
	Total	**80.41**	**346.45**	**-**	**-**

* External Commercial Borrowings from Citibank N.A. is secured by way of creation of mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of title deeds with the bank, 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. Terms of Repayment: Repayable in 15 equal quarterly installments of USD 0.62 million over a period of 5 years starting from January 2015 upto July 2018. Rate of Interest: Libor plus 3.00%

** Rate of Interest @ 9%, Terms of Repayment: Repayable in financial year ended March 31, 2018.

(₹ Millions)

		Long-term		Short-term	
		Mar-17	Mar-16	Mar-17	Mar-16
	Provisions				
	Provision for employee benefits (Refer Note no. 28):				
	- Gratuity (Unfunded)	55.20	49.32	3.75	3.57
	- Leave benefits (Unfunded)	36.82	30.10	12.41	9.84
	Others				
	- Proposed dividend on Equity Shares including tax	-	-	-	17.74
	- Provision for taxation (net of advances)	-	-	-	29.79
	Total	**92.02**	**79.42**	**16.16**	**60.94**

(₹ Millions)

		Mar-17	Mar-16
7	**Short-term borrowings**		
	Secured		
	From Banks	142.67	85.62
	Total	**142.67**	**85.62**

Working capital loan 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 FINANCIAL STATEMENTS
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(₹ Millions)

		Non-current		Current	
		Mar-17	Mar-16	Mar-17	Mar-16
8	**Other liabilities**				
	Trade payables				
	Trade payables - others (Refer Note no. 41)	-	-	322.80	175.40
		-	**-**	**322.80**	**175.40**
	Others -				
	Current maturities of long-term borrowings (Refer Note no. 32)	-	-	260.83	164.30
	Interest accrued but not due on borrowings (Refer Note no. 32)	-	-	10.85	3.64
	Unearned revenue	-	-	10.28	2.66
	Advances received from customers	-	-	1.00	1.39
	Unclaimed dividends*	-	-	1.42	8.16
	Creditors for capital expenditure	0.64	0.34	-	-
	Statutory dues payable	-	-	35.16	32.07
	Other payables	-	-	6.61	6.57
		0.64	**0.34**	**326.15**	**218.79**
	Total	**0.64**	**0.34**	**648.96**	**394.19**

*Dividend ₹ 0.33 million (₹ 0.15 million) unclaimed for a period of more than seven years is 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, 2017.

9 Fixed Assets

(₹ Millions)

Description	GROSS BLOCK					DEPRECIATION/AMORTISATION				NET BLOCK	
	Balance as on 01-Apr-16	Additions during the Year	Transfer on Scheme of Amalgamation	Deductions / Adjustments during the Year	Balance as on 31-Mar-17	Balance upto 01-Apr-16	Additions during the Year	Deductions / Adjustments during the Year	Balance upto 31-Mar-17	Balance as on 31-Mar-17	Balance as on 31-Mar-16
PROPERTY PLANT AND EQUIPMENT											
Land*	607.40	-	-	-	607.40	-	-	-	-	607.40	607.40
Buildings	207.60	3.19	-	1.03	211.82	32.89	6.22	0.34	39.45	172.37	174.71
Plant and Equipment	11.28	0.92	-	(4.18)	8.02	4.36	0.65	(0.92)	4.09	3.93	6.92
Furniture and Fixtures	138.03	13.28	-	-	151.31	96.05	10.85	-	106.90	44.41	41.98
Vehicles	28.14	4.05	-	(0.92)	31.27	16.63	3.79	(0.92)	19.50	11.77	11.51
Office Equipments	36.53	2.57	-	-	39.10	30.25	3.48	-	33.73	5.37	6.28
Computers	269.05	46.34	-	2.09	317.48	231.61	29.87	(0.13)	261.35	56.13	37.44
Air Conditioners	34.31	7.96	-	-	42.27	21.08	3.72	-	24.80	17.47	13.23
Electrical Fittings	53.42	12.78	-	-	66.20	34.77	5.91	-	40.68	25.52	18.65
Leasehold Improvements	75.98	5.64	-	-	81.62	4.34	3.12	-	7.46	74.16	71.64
TOTAL (A)	**1,461.74**	**96.72**	**-**	**(1.98)**	**1,556.48**	**471.98**	**67.61**	**(1.63)**	**537.96**	**1,018.53**	**989.76**
PREVIOUS YEAR (1)	**1,339.54**	**128.95**	**11.55**	**(18.30)**	**1,461.74**	**433.37**	**56.40**	**(17.79)**	**471.98**	**989.76**	
INTANGIBLE ASSETS											
Goodwill	124.05	-	-	-	124.05	24.81	24.81	-	49.62	74.43	99.24
Internally Developed Software	9.56	-	-	-	9.56	9.56	-	-	9.56	-	-
Other Softwares	263.74	38.42	-	-	302.16	225.10	35.17	-	260.27	41.89	38.64
Non Compete Fees	36.00	-	-	-	36.00	6.34	8.73	-	15.07	20.93	29.66
Copy Rights	10.00	-	-	-	10.00	1.65	2.39	-	4.04	5.96	8.35
TOTAL (B)	**443.35**	**38.42**	**-**	**-**	**481.77**	**267.46**	**71.10**	**-**	**338.55**	**143.21**	**175.89**
PREVIOUS YEAR (2)	**257.98**	**185.25**	**0.12**	**-**	**443.35**	**200.47**	**66.99**	**-**	**267.46**	**175.89**	
GRAND TOTAL (A+B)	**1,905.09**	**135.14**	**-**	**(1.98)**	**2,038.25**	**739.44**	**138.71**	**(1.63)**	**876.52**	**1,161.73**	**1,165.65**
PREVIOUS YEAR (1+2)	**1,597.52**	**314.20**	**11.67**	**(18.30)**	**1,905.09**	**633.84**	**123.39**	**(17.79)**	**739.44**	**1,165.65**	
CAPITAL WORK-IN-PROGESS										**7.68**	**18.00**

*** Notes:**

(1) The above amount includes freehold land of ₹ 267.05 million (₹ 267.05 million) and leasehold land of ₹ 340.35 million (₹ 340.35 million) which is considered as perpetual lease.

(2) Gross Block includes ₹ 317.23 million (₹ 317.23 million) being the amount added on revaluation of land in the F.Y. 2008-09, based on report issued by approved independent valuer.

(3) 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 at Nashik is secured by way of creation of mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of title deeds with the bank.

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(₹ Millions)

		Mar-17	Mar-16
10	**Non-current investments**		
(i)	**Trade Investments (valued at cost, unless stated otherwise)**		
	Investment in Equity Shares		
	In Subsidiaries - Wholly Owned - Unquoted		
	Nil (300,001) equity shares of Datamatics Technologies UK Limited of GBP 1 each	-	23.89
	1,000 (1,000) no par value common stock in Datamatics Global Services Inc.	644.04	644.04
	50,000 (50,000) equity shares of Datamatics Global Services Pty Limited of AUD 1 each	1.56	1.56
	20,000 (20,000) equity shares of Datamatics Infotech Limited of GBP 1 each	1.71	1.71
	50,000 (Nil) equity shares of LD Publishing & eRetail Limited of ₹ 10 each	0.50	-
	1,000,000 (1,000,000) equity shares of Datamatics Global Technologies Limited of USD 1 each	46.05	46.05
	50,000 (50,000) equity shares of Datamatics Global Technologies AG of CHF 1 each	2.26	2.26
	10,028,655 (162,957) equity shares of Lumina Datamatics Limited of ₹ 10 each	907.60	577.60
	50 (50) equity shares of Datamatics Global Services FZ LLC of AED 1,000 each	0.86	0.86
	2,025,000 (2,025,000) equity shares of Datamatics Global Services GmbH of EURO 1 each	195.95	195.95
	(Provided for diminution in value of investments ₹ 195.95 million (₹ 65.66 million))		
	In Subsidiaries - Others- Unquoted		
	428,400 (428,400) equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	7.94	7.94
	Investment in Preference Shares		
	In Subsidiaries - Wholly Owned - Unquoted		
	3,450,000 (3,850,000) Series II Convertible Non-Cumulative Redeemable 8% Preference shares of Datamatics Global Technologies Limited of USD 1 each	158.06	176.39
	9,300,000 (9,300,000) Series III Convertible Non-Cumulative Redeemable 8% Preference Shares of Datamatics Global Technologies Limited of USD 1 each	562.90	562.90
	35,921,681(Nil) Redeemable Preference Shares of Lumina Datamatics Limited of ₹ 10 each	217.80	-
	Investments in Capital of Subsidiaries Pending Allotment		
	Lumina Datamatics Limited	-	312.00
	LD Publishing & eRetail Limited	-	0.50
		2,747.23	**2,553.65**
(ii)	**Other Investments (Valued at Cost, unless stated otherwise)**		
	Equity Shares - Quoted		
	900 (900) Equity Shares of ₹ 10 each of Cybertech Systems and Software Limited	0.51	0.51
	(Provided for diminution in value of investments ₹ 0.48 million (₹ 0.48 million))		
	6,838 (6,838) Equity Shares of ₹ 2 each of Wipro Limited	3.74	3.74
	5,000 (5,000) Equity Shares of ₹ 1 each of Vikas WSP Limited	0.55	0.55
	(Provided for diminution in value of investments ₹ 0.52 million (₹ 0.52million))		

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(₹ Millions)

		Mar-17	Mar-16
	400 (400) Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.21	0.21
	8,998 (8,998) Equity Shares of ₹ 10 each of Coal India Limited	2.20	2.20
	38,767 (38,767) Equity Shares of ₹ 10 each of Powergrid Corporation of India Limited	3.49	3.49
	5,000 (5,000) Equity Shares of ₹ 2 each of Axis Bank Limited	1.22	1.22
	1,200 (1,200) Equity Shares of ₹ 2 each of Larsen and Toubro Limited	1.23	1.23
	35,200 (35,200) Equity Shares of ₹ 10 each of Global Offshore Services Limited	13.04	13.04
	(Provided for diminution in value of investments ₹ 11.52 million (₹ 6.57 million))		
	Mutual Fund - Quoted		
	1,018,717 (1,018,717) Units of IIFL Income opportunities fund - AIF - Growth (Face Value of ₹ 0.8916 each)	1.10	1.72
	2,322,330 (2,322,330) Units of HDFC Short Term opportunities fund - Growth (Face Value of ₹ 10 each)	32.02	32.02
	2,000,000 (2,000,000) Units of ICICI Prudential FMP Series73 - Plan E Growth (Face Value of ₹ 10 each)	20.00	20.00
	Nil (1,000,000) Units of Birla Sun Life Fixed Term Plan - Series GI (1185 Days) - Growth (Face Value of ₹ 10 each)	-	10.00
	Nil (1,000,000) Units of Reliance FHF XXIV Series 3 - Growth (Face Value of ₹ 10 each)	-	10.00
	Nil (2,500,000) Units of Reliance FHF XXIV Series 11 - Growth (Face Value of ₹ 10 each)	-	25.00
	Nil (1,000,000) Units of TATA Fixed Maturity Plan Series - 43 Scheme A - Growth (370 days) (Face Value of ₹ 10 each)	-	10.00
	Nil (1,000,000) Units of ICICI Prudential Fixed Maturity Plan - Series 69 - 366 days Plan A (Face Value of ₹ 10 each)	-	10.00
	Nil (2,500,000) units of Birla Sun Life Interval Income fund-Annual Plan-X-Growth (Face Value of ₹ 10 each)	-	25.00
	Nil (893,974) Units of Birla Sun Life India Refroms fund Growth (Face Value of ₹ 10 each)	-	13.25
	Nil (34,133) Units of HDFC Prudence fund - Growth (Face Value of ₹ 100 each)	-	13.25
	Debentures - Unquoted		
	100 (Nil) Units of ₹ 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	10.00	-
	Nil (5,000) debentures of ₹ 1,000 each of India Infoline Investment Services Limited @ 11.70%	-	5.00
	Nil (30) debentures of ECL Finance Limited - E6F401 - NCD	-	3.05
		89.31	**204.48**
	Less : Provision for diminution in value of investments	208.47	73.23
	Total	**2,628.07**	**2,684.90**
	(All the above securities are fully paid up)		
	Aggregate amount of quoted Investments	79.31	196.43
	Market Value of quoted investments	89.09	225.23
	Aggregate amount of unquoted Investments	2,757.23	2,561.70
	Diminution in value of investments	208.47	73.23

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11 Deferred tax assets / liabilities (net)

The components of deferred tax balances as at March 31, 2017 are as under:

(₹ Millions)

	Mar-17	Mar-16
Deferred tax liabilities		
Depreciation	15.99	29.77
	15.99	**29.77**
Deferred tax assets		
Employee benefits provision	(27.73)	(18.66)
Provision for doubtful receivables, loans and advances	(68.40)	(2.82)
Others	-	(0.06)
Total	**(96.13)**	**(21.54)**
Deferred tax (assets) / liabilities (net)	**(80.14)**	**8.23**

(₹ Millions)

		Long-term		Short-term	
		Mar-17	Mar-16	Mar-17	Mar-16
12	**Loans and advances**				
	(Unsecured, considered good for value to be received in cash or in kind, unless otherwise specified)				
	Deposits	42.19	41.27	2.50	3.40
	Advances to related parties	-	-	37.11	16.23
	Fair value of outstanding forward contracts (Refer Note no. 25)	6.44	12.10	79.06	41.56
	Other loans and advances				
	- Considered good	4.79	5.99	67.39	16.02
	- Considered doubtful	-	-	-	7.00
		4.79	**5.99**	**67.39**	**23.02**
	Less: Provision for doubtful advances	-	-	-	7.00
		4.79	**5.99**	**67.39**	**16.02**
	Prepaid expenses	6.21	0.32	32.11	18.72
	Balance with Government authorities				
	- Advance income tax (net of provisions)	6.65	71.77	-	-
	- MAT credit entitlement	87.53	103.14	19.62	2.62
	- Advance indirect taxes	6.03	10.00	-	18.10
	Total	**159.84**	**244.59**	**237.79**	**116.65**

NOTES TO THE FINANCIAL STATEMENTS
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(₹ Millions)

		Non-current		Current	
		Mar-17	Mar-16	Mar-17	Mar-16
13	**Other assets**				
	Unbilled revenue	-	-	165.81	55.36
	Bank deposits (original maturity of more than 12 months)	0.03	-	-	-
	Interest accrued on -				
	Bank deposits (₹ 783)	0.00	-	0.07	0.21
	Current investments	-	-	-	0.59
	Other receivables	1.72	1.76	2.97	0.71
	Total	**1.75**	**1.76**	**168.85**	**56.87**

(₹ Millions)

		Mar-17	Mar-16
14	**Current investments (At cost or fair value whichever is lower)**		
	Mutual Funds - Quoted		
	Investment in Liquid Mutual Funds fully paid		
	8,730 (8,730) Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each)	19.94	19.94
	660,925 (660,925) Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each)	10.00	10.00
	688,435 (418,520) units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	38.68	20.74
	490,259 (490,259) Units of HDFC Corporate Debt Opportunities Fund -Reg Growth (Face Value of ₹ 10 each)	5.00	5.00
	1,284,891 (1,284,891) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	27.00	27.00
	986,236 (986,236) Units of ICICI Prudential Short Term Regular Plan - Growth (Face Value of ₹ 10 each)	26.10	26.10
	58,313 (342,037) Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	14.00	76.50
	2,166,507 (Nil) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	40.00	-
	35,689 (Nil) units of UTI Treasury Advantage Fund - IP - Growth (Face Value of ₹ 1,000 each)	80.00	-
	375,340 (Nil) units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	4.00	-
	133,518 (Nil) units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.00	-
	Nil (1,950,054) Units of Templeton India Ultra Short Bond Fund - Super - IP -Growth (Face Value of ₹ 10 each)	-	35.19
	Nil (122,737) Units of Birla Sunlife Saving Fund - Growth (Face Value of ₹ 100 each)	-	34.61
	Nil (645,615) Units of Reliance Medium Term Fund - Direct Plan Growth Plan - Growth (Face Value of ₹ 10 each)	-	20.00
	Nil (107,636) Units of ICICI Prudential Flexible Income - Regular Plan - Growth (Face Value of ₹ 100 each)	-	30.00
	Nil (393,749) Units of HDFC Floating Rate Income Fund - STF - WP - Growth (Face Value of ₹ 10 each)	-	10.00
	Advance towards Investments in Liquid Mutual Funds		
	ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	40.00	-
	Total	**308.72**	**315.08**
	Aggregate amount of quoted Investments	308.72	315.08
	Market value of quoted investments	332.42	346.31

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(₹ Millions)

		Mar-17	Mar-16
15	**Trade receivables**		
	Over six months from the day they were due for payment		
	- Considered good	146.26	93.13
	- Considered doubtful	4.56	8.16
	Others		
	- Considered good	654.55	575.40
	- Considered doubtful	-	-
		805.37	**676.69**
	Less: Provision for doubtful debts	4.56	8.16
	Total	**800.81**	**668.53**

(₹ Millions)

		Mar-17	Mar-16
16	**Cash and bank balances**		
	Cash and cash equivalents		
	Balances with banks -		
	In Current accounts	69.12	52.71
	In Exchange earner's foreign currency account	42.67	82.35
	In Deposit accounts*	1.18	0.58
	Cheques in hand / remittance in transit	-	0.19
	Foreign currency in hand	0.44	0.33
	Cash in hand (Refer Note No.30)	2.59	0.36
		116.00	**136.52**
	Other bank balances		
	Balances with banks		
	In Deposit accounts*	1.38	1.71
	In Unclaimed dividend accounts	1.42	8.13
		2.80	**9.84**
	Total	**118.80**	**146.36**

*Of the above ₹ 2.56 million (₹ 2.28 million) are marked as lien for guarantees issued by banks on behalf of the Company.

(₹ Millions)

		Mar-17	Mar-16
17	**Revenue from operations**		
	Sales from software services		
	Export	2,082.13	1,937.17
	Domestic	951.26	857.41
	Sale of products and Licenses		
	Domestic	23.73	21.51
	Total	**3,057.12**	**2,816.09**

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

		Mar-17	Mar-16
18	**Other income**		
	Interest income from		
	- Non - current investments	0.35	1.52
	- Current investments	-	2.45
	- Bank deposits	4.90	1.31
	- Others	7.66	-
	Dividend income from		
	-Non-current investments		
	- Subsidiary (Refer Note no. 31)	-	12.85
	- Other	0.30	-
	-Current investments	-	1.12
	Rent income (Refer Note no. 31)	5.71	5.71
	Profit on sale of		
	- Current investments	44.23	0.07
	- Non - current investments	7.56	3.35
	Miscellaneous income	2.46	15.29
	Foreign Exchange gain/(loss) (net)	110.94	75.07
	Corporate guarantee fees (Refer Note no. 31)	3.97	3.93
	Sundry balances written back (net)	0.27	0.12
	Total	**188.35**	**122.79**

(₹ Millions)

		Mar-17	Mar-16
19	**Employee benefits expense**		
	Salaries and allowances	1,699.64	1,515.26
	Contribution to provident fund and other funds (Refer Note no. 28)	87.98	79.63
	Share based compensation	-	2.65
	Staff welfare expenses	52.12	53.73
	Total	**1,839.74**	**1,651.27**

(₹ Millions)

		Mar-17	Mar-16
20	**Finance costs**		
	Interest on loans - banks	20.86	54.16
	- others (Refer Note no. 31)	9.00	1.11
	Interest on others	6.49	-
	Other financial charges	1.24	-
	Total	**37.59**	**55.27**

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

		Mar-17	Mar-16
21	**Depreciation and amortisation expense**		
	Depreciation on tangible assets	67.61	56.40
	Amortisation of intangible assets	71.10	66.99
	Total	**138.71**	**123.39**

(₹ Millions)

		Mar-17	Mar-16
22	**Other expenses**		
	Technical fees (Refer Note no. 31)	126.43	81.42
	Knowledge associates / vendor charges (Refer Note no. 31)	70.00	70.71
	IT infrastructure and development cost	67.57	-
	Travelling expenses	234.31	192.56
	Electricity and water charges	66.90	64.13
	Rent (Refer Note no. 31)	55.34	50.80
	Rates and taxes	15.12	12.47
	Link charges	15.37	17.40
	Communication charges	17.20	15.91
	Repairs and maintenance		
	- Buildings	6.58	6.11
	- Plant and machinery	29.48	49.35
	- Others	5.47	2.64
	Hire and service charges	16.70	12.52
	Recruitment expenses	15.35	10.59
	Legal and professional charges	47.16	41.46
	Remuneration to auditors (Refer Note no. 26)	3.34	2.54
	Insurance	3.05	1.45
	Security charges	11.74	10.00
	Subscription charges	7.19	5.60
	Board sitting fees	0.70	0.93
	Bad debts and advances written off	-	1.87
	Provision for doubtful debts, advances and investment	8.32	5.43
	Loss on sale / impairment / discard of fixed assets (net)	0.19	0.16
	Printing and stationery	5.71	5.41
	Sales commission	0.50	0.09
	Advertisement and sales promotion expenses	5.98	4.46
	Entertainment expenses	3.78	2.33
	Bank charges	2.25	2.33
	Corporate social responsibility expenses (Refer Note no. 43)	2.03	1.85
	Miscellaneous expenses	3.43	1.96
	Total	**847.19**	**674.48**

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

23 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: **(₹ Millions)**

		Mar-17	Mar-16
(a)	Claims against the Company not acknowledged as debt:		
	(i) Income Tax matters	12.16	12.16
	(ii) Sales Tax matters	-	5.07
	(iii) Service Tax matters	16.18	-
(b)	Details of guarantees outstanding as at:		
	(i) Corporate guarantees provided to banks against credit facilities extended to subsidiaries	195.28	197.38
	(ii) Guarantees given by banks	114.46	1.41
(c)	Capital and other commitments:		
	(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	35.89	69.93

24	Proposed Dividend	Mar-17	Mar-16
	The final dividend proposed for the year is as follows:		
	Amount of dividend proposed (in ₹ million) on Equity Shares of ₹ 5 each	44.21	14.74
	Dividend per Equity Share	₹ 0.75	₹ 0.25

25 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.

a) The Company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instrument 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:

(₹ Millions)

Particulars	Mar-17	Mar-16
Not later than one month	95.38	81.70
Later than one month and not later than three months	83.01	183.21
Later than three months and not later than one year	549.33	728.46
Later than one year	290.60	281.10
Total	**1,018.32**	**1,274.47**

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

The following are outstanding foreign exchange forward contracts, which have been designated as Cash Flow Hedges, as at:

(₹ Millions)

	Mar-17			Mar-16		
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	77	8.93	30.37	108	9.54	12.58
Euro	8	0.31	3.41	57	2.32	5.04
Sterling Pound	61	3.68	51.72	93	3.78	36.03
Total			**85.50**			**53.65**

Net gain on derivative instruments of ₹ 85.50 million (₹ 53.65 million) recognised in Hedging Reserve as of March 31, 2017, is expected to be reclassified to the Statement of Profit and Loss by March 31, 2019. The company has applied the principle of of cash Flow Hedge Accounting as per Accounting as per Standard (AS) - 30, Financial Instrument: Recognition and Measurement, to the extent that application of AS 30 did not conflict with existing accounting standards and other authoritative pronouncements of the Company Law and other regulatory requirements.

The Institute of Chartered Accountants of India (ICAI) has issued a guidance note on accounting for derivative contracts (guidance note) on May 12, 2015 and the guidance note becomes applicable for accounting periods beginning on or after April 1, 2016. As per Management, the application of guidance note will not have any major accounting impact on transition date i.e. April 1, 2016.

b) Details of foreign currency exposures not covered by derivative instruments as at March 31, 2017 and March 31, 2016 are given below :

Particulars	Currency	Mar-17		Mar-16	
		Foreign Currency	₹ Millions	Foreign Currency	₹ Millions
Receivables	USD	3.54	229.72	2.79	185.05
	GBP	0.52	41.69	0.87	83.19
	EUR	1.21	84.14	0.77	57.74
	CHF	0.18	11.60	0.15	10.69
	AUD	0.23	11.32	0.13	6.62
	AED	0.08	1.34	0.12	2.22
	CAD	0.05	2.53	0.11	5.70
	SEK	0.30	2.20	-	-
Payables	USD	0.73	47.39	0.30	20.17
	EUR	0.05	3.28	0.04	2.87
	CHF	-	-	0.03	2.26
Loans	USD	5.92	383.91	7.49	496.37

Note :
The amount mentioned above included ECB Loan of USD 3.72 million and PCFC outstanding of USD 2.2 million are treated by the Company as natural hedge by assigning future export receivable against repayment of ECB loan and USD receivable till March 31, 2017 against repayment of PCFC loan.

26 Auditor's remuneration includes

(₹ Millions)

		Mar-17	Mar-16
	For services as auditors, including quarterly audits	2.56	2.14
	For other services	0.69	0.37
	Reimbursement of out of pocket expenses	0.09	0.03
	Total	**3.34**	**2.54**

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

27 Activities in foreign currency (₹ Millions)

		Mar-17	Mar-16
(i)	**Earnings in foreign currency**		
	FOB value of exports	2,082.13	1,937.17
	Corporate guarantee fees	2.01	1.97
	Total	**2,084.14**	**1,939.14**
(ii)	**Expenditure in foreign currency**		
	CIF value of import of capital goods	6.24	3.44
	Purchase of products and licenses	9.17	11.75
	IT infrastructure and development cost	16.01	-
	Software maintenance charges	11.53	8.33
	Travelling expenses	167.98	121.23
	Technical and professional fees	69.90	21.93
	Interest expense	15.18	17.94
	Employee benefit expenses	0.71	2.48
	Membership and subscription expenses	2.08	0.45
	Bank charges	0.49	0.39
	Training and seminar expenses	0.67	0.14
	Recruitment charges	1.02	-
	Sales promotion expenses	3.60	-
	Total	**304.58**	**188.08**
(iii)	**Remittance of foreign currency for dividend**		
	No. of Non-resident shareholders	5	5
	No. of equity shares held on which dividend was due	2,48,250	2,48,250
	The year to which the dividend relates	2015-16	2014-15
	Amount remitted in equivalent dollar ($)	2,791	2,427
	Amount remitted in equivalent Rupees (₹)	186,188	161,363

28 Employee Benefits

As per Accounting Standard 15 "Employee Benefits", the disclosures are as under :

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.

(₹ Millions)

		Mar-17	Mar-16
	Defined Contribution Plan		
I.	**Charge to the Statement of Profit and Loss based on contributions:**		
	Employers contribution to provident fund	72.29	65.74
	Employers contribution to employees' state insurance	13.20	12.18
	Employers contribution to employees' pension scheme 1995	2.28	1.49
	Employers contribution to labour welfare fund and others	0.21	0.22
	Included in contribution to provident fund and other funds (Refer Note no. 19)	**87.98**	**79.63**

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

	Defined Benefit Plan	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
		Mar-17	Mar-17	Mar-16	Mar-16
I.	**Disclosures for defined benefit plans based on actuarial reports as on March 31, 2017**				
A.	**Change in defined benefit obligation:**				
	Present value of defined benefit obligation as at the beginning of the year	52.89	39.94	53.75	24.80
	Interest cost	4.10	3.06	4.08	2.02
	Current service cost	2.79	11.08	3.21	8.99
	Acquisition / business combination / divestiture	-	-	5.35	-
	Benefits paid	(6.57)	(17.33)	(9.11)	(14.47)
	Actuarial (gain) / loss	5.74	12.48	(4.39)	18.60
	Present value of defined benefit obligation as at the end of the year	**58.95**	**49.22**	**52.89**	**39.94**
	Included in Long-term and Short-term provisions (Refer Note no. 6)				
B.	**Changes in Fair value of assets:**				
	Contributions by the employer	6.57	17.33	9.11	14.47
	Benefits paid	(6.57)	(17.33)	(9.11)	(14.47)
	Fair value of plan assets as at end of the year	-	-	-	-
C.	**Amount recognised in the Balance Sheet:**				
	Present value of defined benefit obligation as at end of the year	(58.95)	(49.22)	(52.89)	(39.94)
	Net Asset / (Liability) recognised in Balance Sheet (Refer Note no. 6)	**(58.95)**	**(49.22)**	**(52.89)**	**(39.94)**
D.	**Expenses recognised in the Statement of Profit and Loss:**				
	Current service cost	2.79	11.08	3.21	8.99
	Interest cost	4.10	3.06	4.08	2.02
	Actuarial (gain) / loss	5.74	12.48	(4.39)	18.60
	Total Expenses recognised in the Statement of Profit and Loss	**12.63**	**26.62**	**2.90**	**29.61**
	Included in Salaries and allowances (Refer Note no. 6)				
E.	**Principal Actuarial Assumptions used:**				
	1. Discount Rate (per annum)	**7.16%**		**7.80%**	
	2. Salary Escalation	**4.50%**		**4.50%**	
	3. Mortality table	Indian Assured Lives Mortality (2006-2008)		Indian Assured Lives Mortality (2006-2008)	

		Mar-17	Mar-16	Mar-15	Mar-14	Mar-13
F.	**Experience adjustments:**					
	Experience adjustments on plan liability (gain) / loss	1.72	(5.45)	0.19	6.14	2.31
G.	**Change in defined benefit obligation:**					
	Actuarial (gain) / loss	5.74	(4.39)	7.55	9.92	0.71

29 Segment Reporting

The Management Information System of the Company identifies and operates in a single primary business segment. In the opinion of the Management these activities are governed by the same set of risks and returns as per AS-17 segment reporting. All the assets of the Company are located in India and hence secondary segment reporting is on the basis of the geographical location of customers.

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

Geographic Segment

Revenue attributable to the location of the customers is as follows : **(₹ Millions)**

	Mar-17	Mar-16
USA	794.74	871.05
Europe	1,079.15	1,031.75
India	1,054.53	878.91
Rest of World	128.70	34.38
Total	**3,057.12**	**2,816.09**

Fixed assets in India used in the Company's business or liabilities contracted in India cannot be identified to any geographical segment as the fixed assets and services are used interchangeably between geographical segments and a meaningful segregation is not possible.

30 Details of Specified Bank Notes (SBN)

The details of holding and dealing in SBNs by the Company during the period from November 8, 2016 to December 30, 2016 are as follows

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**1,118,000**	**176,755**	**1,294,755**
(+) Permitted receipts	-	63,000	63,000
(-) Permitted payments	-	147,978	147,978
(-) Amount deposited in banks	1,118,000	2,000	1,120,000
Closing cash in hand as on December 30, 2016	-	**89,777**	**89,777**

31 Related party disclosures

(i) As per Accounting Standard 18, the disclosures of related parties and transactions during the year as deemed in the Accounting Standard are given below:

(A) Subsidiary Companies

Cybercom Datamatics Information Solutions Limited
Datamatics Global Services Inc.
Datamatics Global Services GmbH
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 (Stepdown Subsidiary)
Datamatics Global Services Corp. (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)
Cignex Datamatics UK Limited (Stepdown Subsidiary)
Duo Consulting, Inc. (earlier known as DuoDesign, LLC) (Stepdown Subsidiary)
Elevondata Labs Holdings Inc (Stepdown Subsidiary)
Attune Infocom Private Limited (Stepdown Subsidiary)
Scalsys Technologies Private Limited (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)

(B) Key Managerial Personnel

Dr. Lalit S. Kanodia
Mr. Rahul L. Kanodia
Mr. Sameer L. Kanodia
Ms. Divya Kumat
Mr. Sandeep Mantri (w.e.f. November 11, 2016)
Mr. Siddharth B. Saboo (till May 31, 2016)
Mr. Vidur V. Bhogilal (till September 21, 2015)

(C) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel

Mrs. Asha L. Kanodia
Mrs. Aneesha Dalmia
Mrs. Priyadarshini Kanodia
Mr. Vidur V. Bhogilal (w.e.f. September 22, 2015)
Datamatics Staffing Services Limited
Datamatics Employees Welfare Trust
Datamatics Financial Services Limited

(D) Holding Company

Delta Infosolutions Private Limited

NOTES TO THE FINANCIAL STATEMENTS
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(ii) Details of transactions with the related parties stated in (i) above :

(₹ Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Revenue from operations	**861.63**	**922.07**	**-**	**-**	**0.14**	**-**	**-**	**-**
Datamatics Global Services Inc	406.04	474.21	-	-	-	-	-	-
Datamatics Global Technologies Limited	5.79	5.27	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	16.96	2.04	-	-	-	-	-	-
Datamatics Infotech Limited	424.69	430.62	-	-	-	-	-	-
Lumina Datamatics Limited	1.00	-	-	-	-	-	-	-
Cignex Datamatics Inc	2.80	9.93	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	4.35	-	-	-	-	-	-	-
Datamatics Financial Services Limited	-	-	-	-	0.14	-	-	-
Technical fees	**8.53**	**10.66**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Technologies AG	6.20	-	-	-	-	-	-	-
Datamatics Global Services GmbH	-	8.07	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	2.33	2.59	-	-	-	-	-	-
Outsourcing cost	**-**	**-**	**-**	**-**	**1.76**	**8.72**	**-**	**-**
Datamatics Staffing Services Limited	-	-	-	-	1.76	8.72	-	-
Purchase of IT product and licenses	**7.94**	**7.92**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Technologies Limited	7.94	7.92	-	-	-	-	-	-
Purchase of Property, plant and equipment	**2.88**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Lumina Datamatics Limited	2.88	-	-	-	-	-	-	-
Expenses incurred by related parties	**4.26**	**7.79**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Services GmbH	-	0.29	-	-	-	-	-	-
Lumina Datamatics Limited	1.51	5.05	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	-	0.01	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	2.75	2.44	-	-	-	-	-	-
Expenses incurred for related parties	**34.56**	**42.81**	**-**	**-**	**0.01**	**-**	**-**	**-**
Datamatics Global Services Inc	0.81	-	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	0.01	0.02	-	-	-	-	-	-
LDR eRetail Limited	2.32	1.14	-	-	-	-	-	-
Lumina Datamatics Limited	31.01	41.65	-	-	-	-	-	-
Cignex Datamatics Inc	0.41	-	-	-	-	-	-	-
Datamatics Staffing Services Limited	-	-	-	-	0.01	-	-	-
Provision for dimunition in value of investment	**130.29**	**65.66**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Services GmbH	130.29	65.66	-	-	-	-	-	-
Write off of investment	**23.82**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Technologies UK Limited	23.82	-	-	-	-	-	-	-
Managerial remuneration	**-**	**-**	**23.27**	**21.03**	**-**	**-**	**-**	**-**
Dr. Lalit S. Kanodia	-	-	6.38	6.27	-	-	-	-
Mr. Rahul L. Kanodia	-	-	9.79	8.49	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	-	1.54	-	-	-	-
Mr. Sameer L. Kanodia	-	-	7.10	4.73	-	-	-	-
Salaries and allowances	**-**	**-**	**10.31**	**6.68**	**2.60**	**1.94**	**-**	**-**
Mrs. Priyadarshini R. Kanodia	-	-	-	-	2.60	1.94	-	-
Mr. Siddharth B. Saboo	-	-	1.80	1.32	-	-	-	-
Ms. Divya Kumat	-	-	6.41	5.36	-	-	-	-
Mr. Sandeep Mantri	-	-	2.10	-	-	-	-	-
Commission	**-**	**-**	**6.50**	**9.00**	**0.15**	**0.20**	**-**	**-**
Dr. Lalit S. Kanodia	-	-	3.25	4.50	-	-	-	-

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(₹ Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Mr. Rahul L. Kanodia	-	-	3.25	4.50	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	0.15	0.20	-	-
Proposed dividend	**-**	**-**	**-**	**1.18**	**-**	**1.21**	**-**	**7.95**
Dr. Lalit S. Kanodia	-	-	-	0.81	-	-	-	-
Mr. Rahul L. Kanodia (₹ Nil (₹ 52))	-	-	-	0.00	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	-	-	-	0.38	-	-
Mr. Sameer L. Kanodia	-	-	-	0.37	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	-	0.83	-	-
Delta Infosolutions Private Limited	-	-	-	-	-	-	-	7.95
Interim dividend	**-**	**-**	**-**	**2.36**	**-**	**2.41**	**-**	**15.91**
Dr. Lalit S. Kanodia	-	-	-	1.62	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	-	-	-	0.76	-	-
Mr. Sameer L. Kanodia	-	-	-	0.74	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	-	1.65	-	-
Delta Infosolutions Private Limited	-	-	-	-	-	-	-	15.91
Board sitting fees	**-**	**-**	**-**	**-**	**0.13**	**0.18**	**-**	**-**
Mrs. Asha L. Kanodia	-	-	-	-	0.13	0.18	-	-
Recruitment expenses	**-**	**-**	**-**	**-**	**0.74**	**0.34**	**-**	**-**
Datamatics Staffing Services Limited	-	-	-	-	0.74	0.34	-	-
Legal and professional fees	**-**	**-**	**-**	**-**	**3.45**	**0.95**	**-**	**-**
Datamatics Financial Services Limited	-	-	-	-	0.27	0.28	-	-
Mrs. Aneesha Dalmia	-	-	-	-	3.18	0.67	-	-
Corporate guarantee fees	**3.97**	**3.93**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Services Inc	2.01	1.97	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	1.00	1.00	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	0.96	0.96	-	-	-	-	-	-
Rent income	**5.71**	**5.71**	**-**	**-**	**-**	**-**	**-**	**-**
Lumina Datamatics Limited	5.71	5.71	-	-	-	-	-	-
Dividend received	**-**	**12.85**	**-**	**-**	**-**	**-**	**-**	**-**
Cybercom Datamatics Information Solutions Limited	-	12.85	-	-	-	-	-	-
Miscellaneous income	**-**	**-**	**-**	**-**	**-**	**48.59**	**-**	**-**
Datamatics Employee Welfare Trust	-	-	-	-	-	48.59	-	-
Guarantees	**195.28**	**197.38**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Services Inc	97.28	99.38	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	48.00	48.00	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	50.00	50.00	-	-	-	-	-	-
Interest expenses	**-**	**-**	**6.55**	**0.80**	**2.45**	**0.30**	**-**	**-**
Dr. Lalit S. Kanodia	-	-	2.05	0.25	-	-	-	-
Mr. Sameer L. Kanodia	-	-	4.50	0.55	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	2.45	0.30	-	-
Borrowings	**-**	**-**	**-**	**72.80**	**-**	**27.20**	**-**	**-**
Dr. Lalit S. Kanodia	-	-	-	22.80	-	-	-	-
Mr. Sameer L. Kanodia	-	-	-	50.00	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	-	27.20	-	-
Loans and advances refunded during the year	**38.97**	**53.89**	**-**	**-**	**-**	**62.69**	**-**	**-**
Datamatics Infotech Limited	3.34	6.07	-	-	-	-	-	-
Datamatics Global Services FZ LLC	35.18	40.91	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	0.38	0.28	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Cybercom Datamatics Information Solutions Limited	0.03	-	-	-	-	-	-	-
Datamatics Global Services Inc	0.04	4.17	-	-	-	-	-	-
Lumina Datamatics Limited	-	2.46	-	-	-	-	-	-
Datamatics Employee Welfare Trust	-	-	-	-	-	62.69	-	-
Loans and advances given during the year	**55.83**	**45.38**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Services Inc	8.74	1.50	-	-	-	-	-	-
Datamatics Infotech Limited	3.78	6.44	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	0.68	-	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	0.26	-	-	-	-	-	-	-
Lumina Datamatics Limited	-	5.26	-	-	-	-	-	-
Datamatics Global Services FZ LLC	37.97	32.18	-	-	-	-	-	-
Cignex Datamatics Inc	3.09	-	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	1.31	-	-	-	-	-	-	-
Investment in capital of subsidiaries	**642.50**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Lumina Datamatics Limited	642.00	-	-	-	-	-	-	-
LD Publishing & eRetail Limited	0.50	-	-	-	-	-	-	-
Investment in capital of subsidiaries pending allotment	**-**	**312.50**	**-**	**-**	**-**	**-**	**-**	**-**
Lumina Datamatics Limited	-	312.00	-	-	-	-	-	-
LD Publishing & eRetail Limited	-	0.50	-	-	-	-	-	-
Redemption of preference shares	**112.53**	**18.33**	**-**	**-**	**-**	**-**	**-**	**-**
Datamatics Global Technologies Limited	18.33	18.33	-	-	-	-	-	-
Lumina Datamatics Limited	94.20	-	-	-	-	-	-	-
Loans and advances given balance	**36.74**	**16.30**	**-**	**-**	**0.48**	**-**	**-**	**-**
Datamatics Global Services Inc	9.52	0.89	-	-	-	-	-	-
Cignex Datamatics Inc	3.09	-	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	0.28	-	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	1.51	-	-	-	-	-	-	-
Datamatics Global Services FZ LLC	14.81	11.83	-	-	-	-	-	-
Datamatics Infotech Limited	1.06	1.01	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	0.29	-	-	-	-	-	-	-
LDR eRetail Limited	0.13	-	-	-	-	-	-	-
Datamatics Staffing Services Limited	-	-	-	-	0.48	-	-	-
Lumina Datamatics Limited	6.05	2.57	-	-	-	-	-	-
Loans And advances receivable	**0.09**	**0.06**	**-**	**-**	**-**	**-**	**-**	**-**
Lumina Datamatics Limited	0.09	0.06	-	-	-	-	-	-
Payables	**11.55**	**10.43**	**85.85**	**82.53**	**31.30**	**27.76**	**-**	**-**
Dr. Lalit S. Kanodia	-	-	28.10	27.53	-	-	-	-
Mr. Rahul L. Kanodia	-	-	3.25	4.50	-	-	-	-
Mr. Sameer L. Kanodia	-	-	54.50	50.50	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	29.65	27.67	-	-
Mrs. Aneesha Dalmia	-	-	-	-	1.52	-	-	-
Datamatics Global Services GmbH	3.07	1.85	-	-	-	-	-	-
Datamatics Global Technologies Limited	7.13	7.04	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	0.40	0.18	-	-	-	-	-	-
Datamatics Staffing Services Limited	-	-	-	-	0.10	0.07	-	-
Cybercom Datamatics Information Solutions Limited	0.22	-	-	-	-	-	-	-
Lumina Datamatics Limited	0.73	1.36	-	-	-	-	-	-
Datamatics Financial Services Limited	-	-	-	-	0.03	0.02	-	-

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
Receivables	**157.73**	**141.82**	**-**	**-**	**0.35**	**0.07**	**-**	**-**
Datamatics Global Services Inc	98.43	61.58	-	-	-	-	-	-
Datamatics Global Services GmbH	0.23	0.25	-	-	-	-	-	-
Datamatics Global Technologies Limited	3.34	1.84	-	-	-	-	-	-
Datamatics Infotech Limited	39.01	64.56	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	4.48	2.04	-	-	-	-	-	-
Datamatics Financial Services Limited	-	-	-	-	0.35	0.07	-	-
Datamatics Global Technologies GmbH	1.85	2.01	-	-	-	-	-	-
Datamatics Global Solutions GmbH	1.60	1.74	-	-	-	-	-	-
Lumina Datamatics Limited	0.14	-	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	4.92	-	-	-	-	-	-	-
Datamatics Global Technologies AG	2.33	-	-	-	-	-	-	-
Cignex Datamatics Inc	1.40	7.80	-	-	-	-	-	-

Related parties are being recognized / identified by the Management and relied upon by the auditors.

32 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 22. 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:

(₹ Millions)

Particulars	Mar-17	Mar-16
Amount due not later than one year	14.94	13.93
Amount due in the period between one year and five years	11.65	14.19
Amount due later than five years	-	-
The Following Lease payments are recognised in the Statement of Profit and Loss:		
Lease Rent	55.34	45.09

Notes:

(a) Future lease payments are determined on the basis of terms of the lease agreement.

(b) At the expiry of term of the agreement, the Company has an option either to return the leased asset or extend the term by giving a notice in writing.

33 Earnings per Share (EPS)

The Components of basic and diluted earnings per share are as follows:

		Mar-17	Mar-16
(a)	Net Profit after taxation attributable to equity shareholders (₹ millions)	218.29	323.52
(b)	Extraordinary Item (₹ millions)	-	48.59
(c)	Net Profit Before Extraordinary Item (₹ millions)	218.29	274.93
(d)	Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.)	58,949,337	58,949,337
(e)	Earnings per share (Before Extraordinary Item)		
	(Nominal value per share ₹ 5 each)		

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

		Mar-17	Mar-16
	Basic and Diluted earnings per share (in ₹) (c/d)	3.70	4.66
(f)	Earnings per share (After Extraordinary Item)		
	(Nominal value per share ₹ 5 each)		
	Basic and Diluted earnings per share (in ₹) (a/d)	3.70	5.49

34 The Company has ₹ 9.52 million (₹ 0.89 million) as outstanding loans and advances (Refer note no. 36 below) and ₹ 646.30 million (₹ 670.18 million) as investment in two of it's 100% Subsidiaries at the year end. The net worth of these subsidiaries has declined. The Company has assured financial support. These investments are for long term and are of strategic nature. As the Management is confident of turning around the subsidiaries in the near future provision for dimuniton in the value, if at all required, is not made.

35 In the previous year 2015-16, pursuant to the Scheme of Amalgamation (The Scheme) u/s 391 to 394 of the Companies Act, 1956 read with section 78 and sections 100 to 104 and other applicable provisions of the Companies Act, 2013 for amalgamation of Datamatics Software Services Limited (DSSL) and Datamatics Vista Info Systems Limited (DVISTA) with the Company as sanctioned by Hon'ble High Court of Bombay on April 22, 2016 and the said order was filed with ROC on May 13, 2016 (effective date), all the assets and liabilities of DSSL and DVISTA were transferred to and vested in the Company, without any consideration and on going concern basis, with effect from April 1, 2015 (the appointed date). The Scheme has accordingly given effect to in the year ended March 31, 2016.

The amalgamation has been accounted for under the "Purchase Method" as prescribed under Accounting Standard 14 - "Accounting for Amalgamations" (AS 14) issued by the Institute of Chartered Accountants of India and as notified u/s 133 of the Companies Act 2013 read with Rule 7 of the Companies Accounts Rules 2014. Accordingly and giving effect in compliance of the Scheme all the assets and liabilities of DSSL and DVISTA, were recorded in the books of the Company at their fair value and the form as at appointed date in the books of DSSL and DVISTA.

DSSL and DVISTA being the wholly owned subsidiary and step down wholly owned subsidiary respectively of the Company neither any shares were required to be issued nor any consideration was paid. The Equity share capital, Preference share capital and the carrying value of investment in Equity shares and Preference shares in the books of the Company stands cancelled. Accordingly, the difference of ₹ 124.05 million in DVISTA being the deficit between (A) aggregate value of net assets acquired and (B) value of investments cancelled was debited to Goodwill Account and surplus of ₹ 32.08 million in DSSL between (A) aggregate value of net assets acquired and (B) value of investments cancelled was credited to Capital Reserve as under :

(₹ Millions)

Particulars	DSSL
Property, plant and equipment	7.23
Non-current investments	183.45
Long-term loans and advances	42.18
Deferred tax asset	6.91
Current investments	10.74
Trade receivables	185.50
Cash and bank balances	27.11
Short-term loans and advances	61.70
Other current assets	2.50
Total Assets	**527.32**
Less: Long-term borrowings	257.72
Long-term provisions	6.47
Trade payables	80.03
Other current liabilities	16.27
Short-term provisions	3.51
Net Assets	**163.32**
Less: Cancellation of investments in Equity Shares	2.04
in Preference Shares	129.20
Capital Reserve	**32.08**

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

(₹ Millions)

Particulars	DVISTA
Property, plant and equipment	4.44
Long-term loans and advances	41.20
Deferred tax asset	3.68
Trade receivables	53.19
Cash and bank balances	6.36
Short-term loans and advances	2.23
Other current assets	3.48
Total Assets	**114.58**
Less :Trade payables	6.36
Other current liabilities	2.12
Short-term borrowings	43.18
Short-term provisions	3.52
Net Assets	**59.40**
Less: Cancellation of investments in Equity Shares	183.45
Goodwill	**(124.05)**

Goodwill on amalgamation is amortised over a period of 5 years. Accordingly ₹ 24.81 million (₹ 24.81 million) is amortised during the year.

36 Loans and advances to Subsidiaries consist of following

(₹ Millions)

Particulars	Balance Outstanding as on March 31, 2017	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2016	Maximum amount outstanding during the year
Datamatics Global Services Inc. *	9.52	9.52	0.89	4.72
Datamatics Infotech Limited *	1.06	4.23	1.01	6.55
Datamatics Global Services Pty Limited *	0.29	0.38	-	0.28
Datamatics Global Technologies Limited *	-	-	-	0.34
Lumina Datamatics Limited *	5.96	9.24	2.50	40.70
Cybercom Datamatics Information Solutions Limited *	0.28	0.28	-	-
Cignex Datamatics Technologies Limited*	1.51	1.51	-	-
Cignex Datamatics Inc.*	3.09	3.09	-	-
Datamatics Global Services FZ LLC *	14.81	27.09	11.83	33.08
LDR eRetail Limited *	0.13	1.95	-	1.19
TOTAL	**36.65**	**57.29**	**16.23**	**86.86**

* Interest free advances.

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

37 Information under Section 186 (4) of the Companies Act, 2013

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 10 and Note 14 in the financial statements.

(₹ Millions)

c) Guarantees given	Mar-17	Mar-16
To secure obligations of Wholly owned subsidiary - Guarantees to banks	195.28	197.38

d) Securities given

There are no securities given during the year.

38 Datamatics Global Services GmbH (DGSG), a subsidiary company has filed for voluntary winding up/liquidation/de registration procedure in financial year 2015-16. In view of this, the Company has made further provision for diminution to the extent of balance appearing in respective investment of ₹ 130.23 million (₹ 65.66 million) under exceptional item. Datamatics Technologies UK Limited (DTUK), a subsidiary company in the UK had filed for voluntary winding up / liquidation and the same was liquidated during the year ended March 31, 2017. Accordingly, the Company has written off its investment in DTUK and an amount of ₹ 23.89 million has been shown as an exceptional item.

39 The Datamatics Employees Welfare Trust (Trust) had purchased 1,753,261 shares of the Company for granting stock options to the employees. The purchases were financed by loans from the Company. During the previous year 2015-16, Trust was liquidated and ₹ 48.59 million had recived and shown as extraordinary items. The amount includes ₹ 40.29 million towards profit on sale of investments and balance towards other income net of expenses over the years.

40 In terms of Section 22 of the 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.

41 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.

42 International and domestic transfer pricing

The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended March 31, 2016. The Management continues to believe that its international transactions and the specified domestic 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.

NOTES TO THE FINANCIAL STATEMENTS
AS ON MARCH 31, 2017

43 Corporate social responsibility expenditure

(₹ Millions)

	Particulars	Mar-17	Mar-16
1	Gross Amount required to be spent by the Company during the year	7.25	6.29
2	Amount Spent during the year on		
A	**In Cash**		
i	Construction of any asset	-	-
ii	On purpose other than i above		
	- Promoting Education	2.03	1.85

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

45 Figures in brackets pertains to previous year.

As per our attached report of even date

For Kanu Doshi Associates LLP
Chartered Accountants
Firm Registration No. 104746W/W100096

Arati Parmar
Partner
Membership No. 102888

Place : Mumbai
Date : May 23, 2017

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
Senior Vice President - Legal
& Company Secretary

Sandeep Mantri
Chief Financial Officer

Statement pursuant to first provision to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to Subsidiary Companies

(₹ in Million)

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	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	64.85	1,831.48	(1,451.14)	599.96	219.62	0.38	1,867.93	88.93	1.77	87.16	-	100.00%	USA
2	Datamatics Global Services GmbH **	EUR	69.27	211.27	(206.14)	6.30	1.17	-	2.09	(29.17)	(0.01)	(29.16)	-	100.00%	Germany
3	Datamatics Global Technologies Gmbh **	EUR	69.27	39.83	(39.83)	-	-	-	-	-	-	-	-	100.00%	Germany
4	Datamatics Infotech Limited	GBP	80.90	1.62	76.45	133.70	55.63	-	566.69	19.14	4.90	14.24	-	100.00%	UK
5	Datamatics Global Services Pty Limited	AUD	49.52	2.48	3.81	13.10	6.81	-	29.82	4.29	1.29	3.00	-	100.00%	Australia
6	Datamatics Global Technologies Limited	USD	64.85	891.69	78.91	974.24	3.64	-	15.65	14.94	0.83	14.11	-	100.00%	Mauritius
7	Datamatics Global Services Corp.	PHP	1.29	-	(0.25)	-	0.25	-	-	(0.25)	-	(0.25)	-	100.00%	Philippines
8	Cybercom Datamatics Information Solutions Limited	INR	1.00	8.48	169.87	185.71	7.36	102.92	77.88	34.67	7.16	27.51	21.21	50.50%	India
9	Lumina Datamatics Limited	INR	1.00	459.50	1,684.59	2,259.56	115.47	1,897.90	1,026.46	107.28	37.72	69.56	-	100.00%	India
10	Lumina Datamatics Inc.	USD	64.85	2,288.34	(1322.27)	1,078.66	112.69	327.09	1,763.95	84.70	3.77	80.93	-	100.00%	USA
11	Lumina Datamatics GmbH	EUR	69.27	13.85	(0.32)	17.03	3.50	-	35.46	1.01	-	1.01	-	100.00%	Germany
12	LDR eRetail Limited	INR	1.00	49.66	(27.68)	25.52	3.54	-	27.65	(9.27)	-	(9.27)	-	51.00%	India
13	Lumina Datamatics Assessment & Analytics, LLC	USD	64.85	148.14	(52.28)	133.63	14.97	-	67.23	(49.37)	0.44	(49.81)	-	65.00%	USA
14	LD Publishing and eRetail Limited	INR	1.00	-	-	-	-	-	-	-	-	-	-	100.00%	India
15	Datamatics Global Services FZ LLC	AED	17.65	0.88	123.85	145.83	21.10	-	166.52	48.36	-	48.36	-	100.00%	Dubai
16	Datamatics Global Technologies AG	CHF	64.83	3.24	(1.13)	17.53	15.42	-	24.65	0.27	-	0.27	-	100.00%	Switzerland
17	Cignex Datamatics Corporation	USD	64.85	26.18	0.15	26.44	0.10	-	-	-	-	-	-	59.11%	BVI
18	Cignex Datamatics Inc.	USD	64.85	119.81	(52.82)	607.39	540.40	7.66	1,245.11	(23.56)	-	(23.56)	-	59.11%	USA
19	Cignex Datamatics Technologies Limited	INR	1.00	0.50	256.18	384.10	127.42	16.42	534.19	10.92	6.93	3.99	-	59.11%	India
20	Cignex Datamatics Pte. Limited	SGD	46.40	0.00	8.01	12.67	4.66	-	16.60	1.81	-	1.81	-	59.11%	Singapore
21	Cignex Datamatics UK Limited	GBP	80.90	0.01	1.49	18.33	16.83	-	55.22	1.71	-	1.71	-	59.11%	UK
22	Cignex Datamatics GmbH	EUR	69.27	1.73	(0.82)	8.50	7.58	-	13.58	1.12	-	1.12	-	59.11%	Germany
23	Duo Design LLC	USD	64.85	64.73	(15.79)	93.76	44.83	-	159.85	(18.36)	-	(18.36)	-	39.01%	USA
24	Elevondata Labs Holdings Inc	USD	64.85	0.72	3.02	5.92	2.19	-	17.11	0.95	-	0.95	-	30.15%	USA
25	Attune Infocom Private Limited	INR	1.00	5.11	(0.41)	12.08	7.38	-	22.54	3.19	-	3.19	-	30.15%	India
26	Scalsys Technologies Private Limited	INR	1.00	0.20	(4.54)	4.35	8.68	-	2.73	(1.50)	-	(1.50)	-	30.15%	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, 2017.
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, 2017
5. Under liquidation. **

For and on behalf of the Board

R. K. Saraswat
DIN 00015095
Director

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Place : Mumbai
Date : May 23, 2017

Divya Kumat
Senior Vice President - Legal & Company Secretary

Sandeep Mantri
Chief Financial Officer

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

YEAR AT A GLANCE

₹ in Million

	Consolidated		
	March-17	March-16	Growth %
Revenue from operations	8,671.24	8,161.78	6.24
Total revenue	8,866.33	8,346.29	6.23
Operating Profit	1,785.57	1,706.78	4.62
Operating Profit % Revenue	20.59	20.91	-
Profit before tax	952.81	581.30	63.91
PBT as % to Total revenue	10.75	6.96	-
PAT	901.31	443.75	103.11
PAT as % to Total revenue	10.17	5.32	-
Earnings per share			
Basic	15.29	7.61	
Diluted	15.24	7.45	
Dividend per share	0.75	0.75	-
Dividend amount including tax	53.26	53.26	-
Average net worth	4,753.19	4,007.97	18.59
PAT % to average net worth	18.96	11.07	-
At the end of the year			
Total assets	7,147.23	7,376.80	(3.11)
Fixed assets (net)	2,819.05	2,573.47	9.54
Cash and cash equivalents	696.25	627.85	10.89
Total debt	550.35	901.12	-
Net worth	5,306.64	4,199.74	26.36
Equity	294.75	294.75	-

NOTES

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