DATAMATICS

**December 2, 2020**

To,

Corporate Communication Department
**BSE Limited**
Phiroze Jeejeeboy Towers,
Dalal Street, Mumbai – 400 001.
BSE Code: 532528

Listing Department
**National Stock Exchange of India Limite**
Exchange Plaza, Bandra Kurla Complex,
Bandra (East) Mumbai 400 051.
NSE Code: DATAMATICS

**Subject: Annual Report for the financial year 2019-20.**

Dear Sir/Madam,

The 32nd Annual General Meeting (AGM) of the Company is scheduled to be held on Saturday, December 26, 2020 at 11.30 a.m through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

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 2019-20. Please note that the Business Responsibility Report is an integral part of the Annual Report.

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**

DIVYA KUMAT
Digitally signed by DIVYA KUMAT
Date: 2020.12.02 15:31:55 +05'30'

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

***Encl. : Annual Report 2019-20***

ANNUAL REPORT
2019-20

# DATAMATICS

FOR THE NEW WORLD



ROBOTICS | INTELLIGENT AUTOMATION | DIGITAL FINANCE
DIGITAL WORKPLACE | CLOUD | ENTERPRISE APPLICATION MANAGEMENT
DIGITAL EXPERIENCE | DIGITAL CONTENT MANAGEMENT
CUSTOMER MANAGEMENT | AUTOMATED FARE COLLECTION

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Datamatics provides intelligent solutions for data-driven businesses to increase productivity and enhance the customer experience. With a complete digital approach, Datamatics portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics all powered by Artificial Intelligence. It has established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection. Datamatics services global customers across Banking, Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing. The Company has presence across 4 continents with major delivery centers in the USA, Europe, India, and Philippines.

**CONSOLIDATED REVENUE**
(₹ in Million)

**12,033.2**

↑ 6.2%

**EBITDA**
(₹ in Million)

**1,235.7**

↓ 7.7%

**WORLDWIDE**
Significant Customers

**200+**

**OFFICES**
in Countries

**6**

**GLOBAL DELIVERY CENTERS**
in Regions

**4**



# DATAMATICS FOR THE NEW WORLD.

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

Our digital solutions like Robotics, Intelligent Automation, Digital Finance, Digital Workplace, and Cloud help our customers increase enterprise productivity. While, solutions such as Customer Management, Digital Experience, and Digital Content Management help the customers build deeper customer relationships.

As our customers adopt digital technologies to drive their businesses in the coming times, we are well positioned to implement Digital Technologies for our customers. It provides us an excellent opportunity to partner with them in implementing digital transformation solutions that would ensure business continuity for our customers and enable them to remain competitive.

# At a Glance

## What we do

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

EXPERTISE

**Information Technology (IT)**

Smart Systems

DATAMATICS TruBot

DATAMATICS TruBI

DATAMATICS TruFare

**Business Process Management (BPM)**

Smart Processes

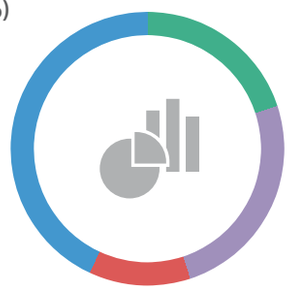
DATAMATICS iPM

DATAMATICS TruCap+

### Transforming businesses across industries

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

### Top three revenue contributors by industry (%)



- Banking and Financial Services - 28
- Publishing - 26
- Manufacturing - 9
- Others - 37

### Top three revenue contributors by region (%)



- USA - 57
- India - 19
- Europe - 16
- Others - 08

# Strategic Focus

## Strengthening digital solutions footprint Strategic Focus

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

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

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

- Digital Solutions – Robotic Process Automation, mobility, cloud, analytics
- Focus on products and platforms
- Establish partner and reseller channels
- Automated Fare Collection opportunity
- Increase account penetration
- Invest in marketing and branding
- Business continuity in times of COVID-19

**Strategic Priorities**



In FY 2019-20, we made significant investments in strengthening our digital footprint, and are now uniquely positioned to implement digital technologies such as Robotic Process Automation, Digital Experiences, Analytics, Cloud and Artificial Intelligence for our customers. We are focusing on deepening our account penetration with our customers, which include Fortune 500 companies, by cross-selling and up-selling through integrated sales and marketing efforts.

Our products and platforms, such as TruBot in Robotic Process Automation, TruCap+ in intelligent data capture, iPM in end-to-end workflow management, TruBI in business intelligence and data visualization, and TruFare in Automated Fare Collection, are gaining good traction.

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

Automated Fare Collection (AFC) has been one of our key focus areas. We see this as a huge opportunity in emerging economies around the world, including India. We are also actively pursuing US market and have won the AFC contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

In the wake of COVID-19 crisis, Datamatics priorities include focusing on employee well-being, servicing and retaining our customers and tightly managing our cash-flows. Team Datamatics has done exceedingly well in managing on all the three fronts in the face of the current crisis. Also, with a diversified customer base across industries, we believe, Datamatics is better prepared to face the challenge.

# Business Overview

## Transform To Perform

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

Datamatics is a global Technology, BPM and Digital Solutions company providing intelligent solutions for data-driven businesses. With a complete digital approach, Datamatics portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics all powered by Artificial Intelligence. It has established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection.



### IT SOLUTIONS

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

The worldwide IT spending is expected to total US$ 3.4 trillion in 2020, a decline of 8% from 2019, mainly due to impact of COVID-19. As the pandemic continues to spur remote working, public cloud services, which is applicable into multiple categories, is expected to be a bright spot growing at 19% in 2020, as per Gartner .

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



**IT Solutions: FY 2019-20 performance highlights**

| REVENUE (₹ in million) | GROWTH Y-O-Y (in %) | REVENUE CONTRIBUTION (in %) | EBITDA MARGIN (in %) | REPEAT BUSINESS (in %) |
|---|---|---|---|---|
| 7,071 | 8.8 | 59 | 11.1 | 91 |

## BUSINESS PROCESS MANAGEMENT

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

The global IT-BPM market is expected to touch US$ 221-$ 226 billion in 2020, growing at 4%-6%, the slowest in the last five years, exacerbated by slowdown due to the COVID-19 outbreak. India, which accounts for 40%-45% share of IT –BPM, is expected to see progress, albeit at a slower rate, weighed down by the COVID-19 impact, lower growth forecasts, tight credit policies, and slow economic reform. United States continues to remain biggest market for BPM.

Our BPM offerings help organizations drive cultural change through digitization and automation, providing tangible benefits to enterprises in terms of higher process efficiency, increased compliance, complete transparency, shorter time-to-market, and customer delight. We are seeing specific opportunities in the process automation and dynamic content management areas.



### BPM: FY 2019-20 performance highlights

| REVENUE (₹ in million) | GROWTH Y-O-Y (in %) | REVENUE CONTRIBUTION (in %) | EBITDA MARGIN (in %) | REPEAT BUSINESS (in %) |
|---|---|---|---|---|
| 4,962 | 2.6 | 41 | 9.1 | 94 |

## ROBOTIC PROCESS AUTOMATION (RPA)

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

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



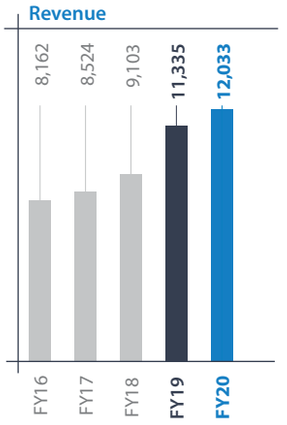

### Robotic Process Automation (RPA)

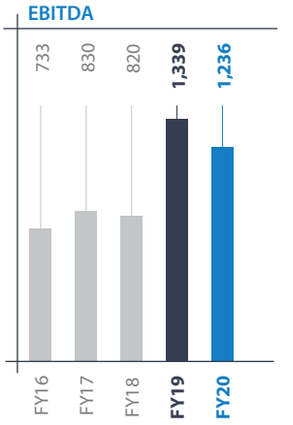
| ACTIVE TRUBOTS | PROCESS AUTOMATED | CUSTOMERS GLOBALLY | TRUBOT EXPERTS | DOCUMENTS PROCESSED THROUGH TRUCAP+ (in Mn) |
|---|---|---|---|---|
| 4000+ | 1000+ | 100+ | 300+ | 300+ |

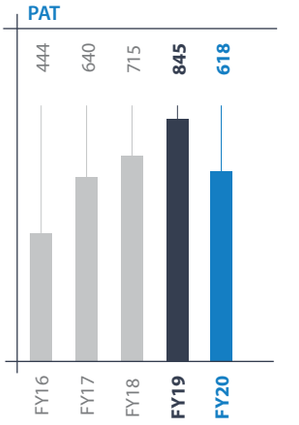
# Key Performance Indicators

## Robust revenues, stable margins

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

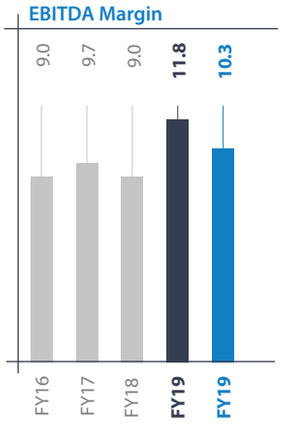


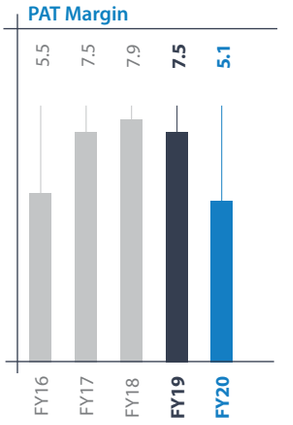




Note: EBITDA excluding Other Income
PAT before Non-controlling Interest

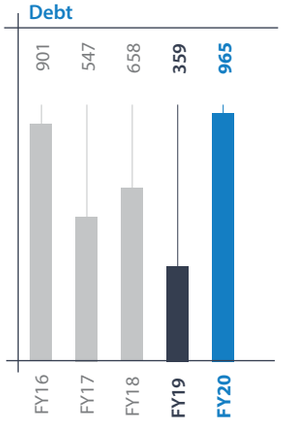
### Stable margins (in %)

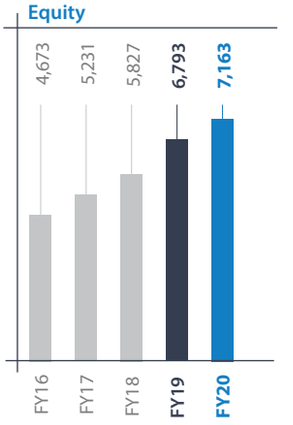


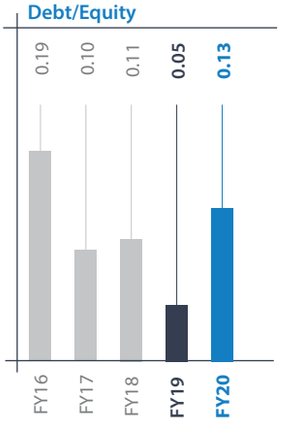




Note: EBITDA excluding Other Income
PAT before Non-controlling Interest

### Healthy balance sheet (₹ in million)

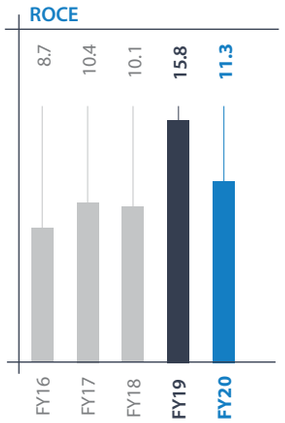


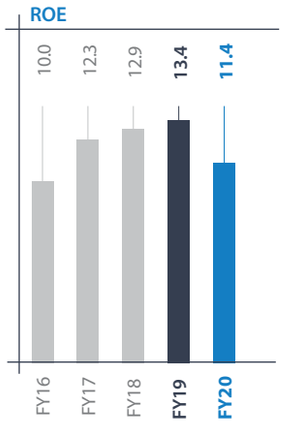




Note: FY 16 equity and debt as per I-GAAP
FY 17 to FY 20 as per IND-AS standards

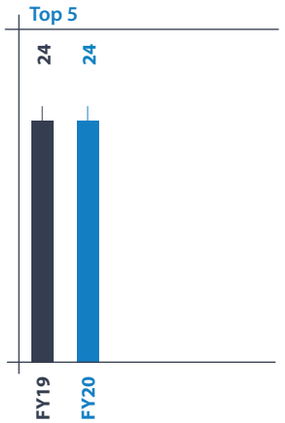
## Improving return ratios (in %)

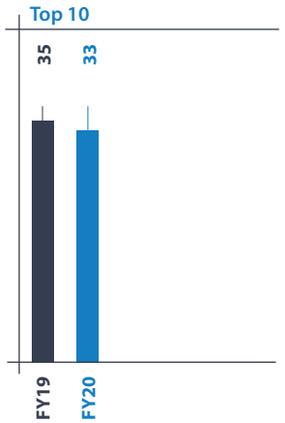


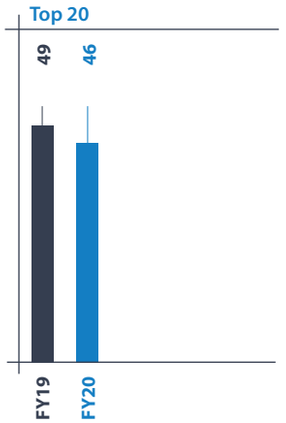




Note: FY 16 equity and debt as per I-GAAP
FY 17 to FY 20 as per IND-AS standards

## Client concentration (in %)



# Chairman's Message



## Dr. Lalit S. Kanodia

Founder and Chairman

Dear Shareholders,

We are continuing to steer a careful path in keeping with the changing demands, caused by challenging times.

*Paraphrasing the writings of Charles Dickens in "A Tale of Two Cities":*
*This is the best of times. This is the worst of times.*
*This is the age of opportunity and the age of unforeseen disaster.*
*This is simultaneously the age of hope and the age of despair.*

First, let me dwell why this is the best of times.

The world continues to adopt Digital Technologies at an increasingly rapid pace. Both Governments and business enterprises are leveraging Digital Technologies, like never before, to increase their efficiency and provide better and more responsive services to all their stakeholders.

Advances in Artificial Intelligence, Machine Learning and Robotic Process Automation have added fuel to the worldwide growth of Digital Technology. Artificial Intelligence relates to machines behaving more and more like human beings. This encompasses the study of how we humans make decisions, and examines whether this can be encoded. It includes a confluence of pattern recognition, probability theory, heuristics and machine learning. This is opening up entirely new vistas for all of us. Personally, I believe this will increase global opportunities and employment for all, in both the medium and long term, just as the Industrial Revolution resulted in increased employment and greater human welfare.

There is great pressure on all organizations to increase their efficiency to remain competitive, thereby fueling the demand for Software Products and Services. In brief, they are now driven by the maxim "Produce More For Less". Software Product Companies thus continued to be valued highly, as measured by their Market Cap.

On the flip side, we are confronted with two counter pressures.

The COVID-19 Pandemic has turned the world upside down and has confronted us with the biggest disruption and challenge since World War II.

Due to this pandemic, the universal expectation is that the world's GDP will shrink by about 10% in a year. This has caused pricing pressures worldwide, when customers are demanding more services at lower prices.

Also due to increasing unemployment in most countries, and in particular in the USA, there is increasing pressure on all Governments around the world to reduce or even eliminate Work Visas and to abstain from importing, both products and services. Fortunately, this has relatively a lower impact on the procurement of overseas Intellectual Property and Knowhow.

> Your Company, besides all its traditional businesses of providing Technology, BPM and Digital Solutions, in keeping with the above trends is investing in developing Solutions based on Artificial Intelligence, Machine Learning and Robotic Process Automation.

Your Company derives 81% of its consolidated revenues from overseas geographies which has over the years fueled its growth. Our largest revenues continue to be derived from the US market. We see a global shift in almost all countries attempting to reduce their dependence on imports and the reducing impact of the World Trade Organization or WTO that had championed the cause of International Trade. In keeping with this, your Company is increasing its presence overseas, particularly in the US market, where we largely employ local Americans.

Indian IT Companies have now grown to a size in terms of both revenue and profits where they can invest in Software / Digital Products. This has impacted their short term margins but will simultaneously result in future cash flows and profits which will yield handsome results.

Your Company, besides all its traditional businesses of providing Technology, BPM and Digital Solutions, in keeping with the above trends is investing in developing Solutions based on Artificial Intelligence, Machine Learning and Robotic Process Automation. We are attempting to develop products based on them on the premise that this has the potential of generating substantial future revenue streams. We are also the only Indian company to have a robust Automated Fare Collection (AFC) solution.

We have participated in Exhibitions and have showcased our efforts to leading Analysts such as Gartner, Everest, Forrester, etc. and have won recognitions. We firmly believe that our key asset is our staff and we continue to invest in them at all stages including continuous training.

Our major operating subsidiaries are Lumina Datamatics and Cignex Datamatics. Lumina Datamatics, is in the business of ePublishing and eRetail business from India, the USA, Germany and ROW. Cignex Datamatics is in the business of Open Source, Cloud and Automation solutions and services having its presence in India, the USA, Singapore and ROW.

Our clients continue to repose confidence in us worldwide, as is evident from the kudos we continuously receive from them. We continue to win awards worldwide which reflect the quality of both our Products and Services.

We look forward with great hope and expectations, despite the pandemic that we are confronted with. I must thank all our shareholders for the confidence they have reposed in us.

**Dr. Lalit S. Kanodia**
Founder and Chairman

# Vice Chairman & CEO Message



## Rahul L. Kanodia
Vice Chairman & CEO

Dear Shareholders,

Datamatics with its experience and expertise has carved out a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that help businesses in their Digital Transformation journey. In FY20, we made significant efforts and investments in strengthening our digital footprint.

In FY20, we launched the new version of our Robotic Process Automation (RPA) product TruBot 4.0. It has over 25 new features making TruBot easier-to-use, more secure, and more intelligent to deliver automation benefits to the customers. TruBot 4.0 has built into it TruCap+ as an integrated cognitive capture module. We are getting a good response from the market to TruBot and have already started servicing some very marquee and leading logos around the world. To increase the sales momentum and ensure smooth implementation and support for TruBot, we have expanded our partner network to over 100 partners across the globe. Notable inclusions in the channel ecosystem are TCS as global strategic partner and Ingram Micro, a global broad-based IT distributor, as preferred reseller in India.

Cloud is a growing area and we have partnered with leading cloud solutions providers including Amazon Web Services and Microsoft Azure. We have successfully delivered several projects and are witnessing high interest from customers.

Automated Fare Collection (AFC) has been our key focus area. We see this as a huge opportunity in emerging economies around the world, including India. Over the last 15 years, we have been instrumental in successfully executing over 25 marquee projects in tier 1 metropolitan cities across the globe. We are the only Indian Company to have a robust AFC, Smart Gates and Contactless Gates solutions. We are also actively pursuing US market and have won the AFC contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

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

> As our customers adopt digital technologies to drive their businesses in the coming times, we are well positioned to implement Digital Technologies - including Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics and Artificial Intelligence - for our customers.

In FY20 our consolidated revenue stood at ₹ 12,033 million reflecting a growth of 6.2% in Rupee terms. Of the total revenue, IT solutions - include application management services, digital solutions such as Robotic Process Automation, Digital Experiences, Cloud solutions, analytics as well as Automated Fare Collection - constitute 59% with EBITDA of 11.1%. On the other hand, Business Process Management constitute 41% of total revenues with EBITDA of 9.1%.

The Q4 of FY20 saw an adverse impact because of COVID-19. We had our business continuity plan ready and in matter of a few days, we were able to get most of our employees working from home. As a response for COVID-19, we have clearly defined our priorities which include focus on employee well-being, servicing and retaining customers, and managing our cash flows. I am very proud of fellow Datamaticians as they ensured that all our customers are serviced with negligible disruption.

To help enterprises navigate the business risk and mitigate their productivity losses, Datamatics has launched 'COVID-19 Enterprise Support Program'. Under this program, Datamatics is offering free use of three TruBots until 30th September 2020. With this program, the company aims to help the enterprises mitigate business risks and successfully manage their operations remotely by using Datamatics TruBot. The company has seen a good response to this program not only from the existing customers, but also from the other enterprises, which are using RPA for the first time.

As our customers adopt digital technologies to drive their businesses in the coming times, we are well positioned to implement Digital Technologies - including Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics and Artificial Intelligence - for our customers. It provides us an excellent opportunity to partner with them in implementing digital transformation solutions that would ensure business continuity for our customers and enable them to remain competitive.

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

Yours Sincerely,

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

# Achievements

## Recognitions and Awards in FY 2019-20

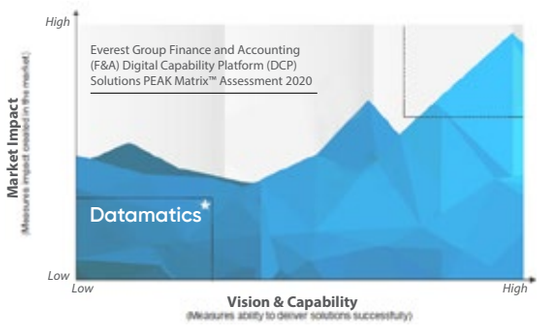
### ANALYST COVERAGE

In FY 2019-20 Datamatics featured in various reports by leading global analysts. Some of the key mentions are as follows:




**Robotic Process Automation**

- TruBot recognised by Gartner in Magic Quadrant for Robotic Process Automation Software
- TruBot recognised by Gartner Peer Insights as 'Voice of the Customer': Robotic Process Automation Software, 2019
- Datamatics acknowledged by Gartner in Critical Capabilities for Robotic Process Automation report 2019
- Datamatics featured in Everest Group PEAK Matrix Assessment, 2019: RPA – Technology Vendor Landscape as 'STAR PERFORMER'
- TruBot recognised by Juniper Research in Robotic Process Automation in Telecoms & Insurance, 2019
- TruBot featured in the NelsonHall NEAT for Intelligent Automation Platforms 2019 as 'HIGH ACHIEVER'
- TruBot recognised by Quadrant Knowledge Solutions in SPARK Matrix: for Robotic Process Automation 2019
- HFS recognises Datamatics in the Top 10 Robotic Process Automation (RPA) Software Products 2020
- TruCap+ featured in Everest Peak Matrix - Intelligent Document Processing (IDP) Technology Vendors 2020 as 'MAJOR CONTENDER'
- Gartner recognises Datamatics' RPA Use cases in the 'Tool: Banking and Insurance Use Cases to Drive Hyperautomation', 2020
- Gartner recognises Datamatics in the Competitive Landscape: Robotic Process Automation Software, 2020




**Business Process Management**

- Datamatics recognised by Everest Group in Finance and Accounting Outsourcing (FAO) Annual Report 2019: Why, What, and How of F&A Transformation
- Datamatics recognised by Everest Gas in Banking BPS – Service Provider Landscape with Services PEAK Matrix™ Assessment 2019 as 'MAJOR CONTENDER'
- Datamatics recognised by Everest Group as a Star Performer in Finance and Accounting (F&A) Digital Capability Platform (DCP) Solutions PEAK Matrix™ Assessment 2020
- Datamatics Finance and Accounting solution profiled by ISG in 'Datamatics: Re-envisioning Finance through Intelligent Solutions', 2020

Gartner Peer Insights 'Voice of the Customer': Robotic Process Automation Software report rates Datamatics TruBot the highest among all RPA software vendors with a 90% mean percentage for 'Willingness to recommend.'

## AWARDS AND ACHIEVEMENTS

# Datamatics also received awards from industry bodies for its solutions.








### Datamatics

- American Business Awards® awarded Gold Stevie Award 2019 to TruBot
- International Association of Outsourcing Professionals (IAOP) featured Datamatics in the 'IAOP global outsourcing 100 list 2020'
- IBS Intelligence recognised TruBot with Global FinTech Innovation Awards 2019
- MRSI Golden Key Award acknowledged Datamatics for 'Best business impact through analytics'
- NASSCOM awarded Customer Service Excellence Award 2019 to Datamatics
- Datamatics won Rail Analysis India Award 2020 for TruFare, its Automated Fare Collection (AFC) product

### Lumina Datamatics

- World HRD Congress recognised Lumina Datamatics for 'Best Mature Workforce Practices' at the India Human Capital Summit & Awards 2019
- World HRD Congress recognised Lumina Datamatics as 'National Best Employer Brands 2019' at the 14th Employer Branding Awards.
- Asia Pacific HRM Congress Awards 2019 acknowledged Lumina Datamatics as 'Dream company to work for in ePublishing and eRetail'.
- Indo-American Chamber of Commerce acknowledged Lumina Datamatics at 15th Indo-American Corporate Excellence Awards 2019 as Runners-up for the 'Excellence in Service Award'.

### Cignex Datamatics Technologies

- Great Place to Work® Institute, India recoginsed Cignex Datamatics as 'Great Place to Work' for the 3rd consecutive year in a row in the category of 'Small & Mid-Sized Organizations' for the year 2019-20.
- Rated among Top 10 Companies in India as 'Safe Places to Work' in a survey by Rainmaker



# Board of Directors



**Dr. Lalit Kanodia**
Chairman

Dr. Lalit S. Kanodia, the Founder and Chairman of Datamatics Group of Companies, is one of the pioneers in the Indian Software and BPM Services industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up Tata Consultancy Services in 1967. As the Chief Mentor at Datamatics, Dr. Kanodia drives all innovation, new product development and quality initiatives. After obtaining a degree in engineering from IIT, Bombay, he completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA). Dr. Kanodia was on the Executive Board of MIT (Europe, Asia and Africa). He was also past President of Management Consultants Association of India, Indo American Chamber of Commerce and IMC Chamber of Commerce and Industry. Recently, he has been nominated as a member of the Advisory Council of the University of Mumbai by the Hon'ble Governor of Maharashtra.



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

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



**Dilip D. Dandekar**
Independent Director

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



**R. K. Saraswat**
Independent Director

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



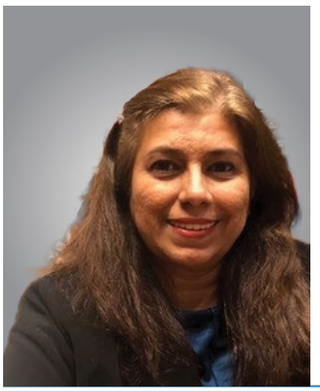
Sameer L. Kanodia
Non-Executive Director

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



Asha L. Kanodia
Non-Executive Director

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



Mona Bhide
Independent Director

Ms. Mona Bhide has been in legal practice since the year 1989 and is the Managing Partner of Dave & Girish & Co. Advocates. Her practice revolves around corporate law, securities and banking transactions, capital markets, structured finance, securitisation, swaps, derivatives, mergers and acquisitions and restructuring. Ms. Bhide is also advisor to various MNCs, banks and financial institutions. Her education in India is B.Com and LL.B from University of Mumbai and she has studied further for graduation with an LLM degree from Northwestern University, School of law, Chicago. In United States she worked at Sedgwick, Deetert Moran and Arnold, an international law firm and research at the American Bar Foundation, at Chicago, USA on the topics like SEC Regulations; Conflicts of interest; and Globalization of the legal profession. Currently, she is also on the Board of National Stock Exchange, Alliance of Business Lawyers, Vinati Organics Ltd. and GIC Housing Finance Limited apart from Datamatics Global Service Ltd.



Vinay M. Aggarwal
Independent Director

Vinay Aggarwal has an MBA in Finance from North Eastern University, USA. After a stint with Unisys at their world HQ in Detroit, he became the Vice President of Tata Unisys Ltd. (1981-88). Thereafter, he was appointed as the CFO of TCS (1990-2003). He also worked briefly as the CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an Independent Consultant.

# Leadership Team



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



**Brajesh Ugra**
President - Global Sales



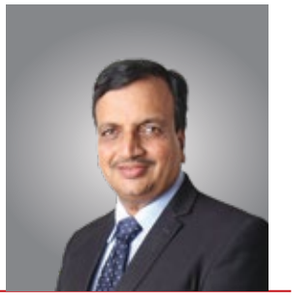
**Divya Kumat**
EVP, Chief Legal Officer & Company Secretary



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



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



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



**Dr. Rima Chowdhury**
EVP & Chief Human Resources Officer



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



**Sandeep Arora**
EVP & Global Head- Customer Management & Consulting



**Sandeep Mantri**
SVP and Chief Financial Officer



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



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



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

# Corporate information

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

## Corporate Identification Number (CIN)
L72200MH1987PLC045205

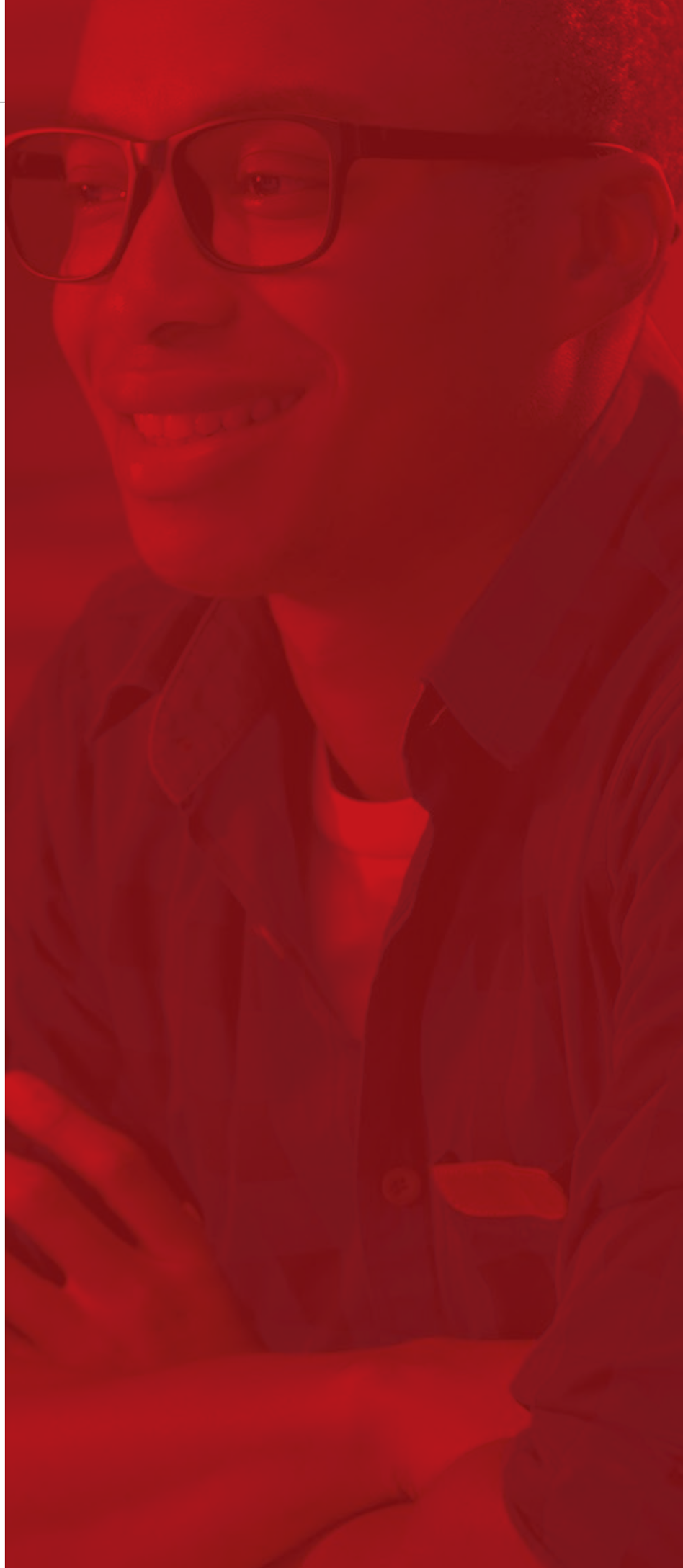
## Registrar & Share Transfer Agents
**Datamatics Business Solutions Limited**
Plot No. B-5, Part B, Cross Lane
MIDC, Andheri (E)
Mumbai – 400093
Tel: +91 (22) 6671 2151
Fax: +91 (22) 6671 2230
Email: depository@datamaticsbpm.com

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

## Auditors
M/s. M L BHUWANIA AND CO LLP

## Solicitors
Chambers of Amir Arsiwala
M/s. Bulwark Solicitors

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



# NOTICE

**NOTICE** is hereby given that the **THIRTY SECOND ANNUAL GENERAL MEETING (AGM)** of the members of **DATAMATICS GLOBAL SERVICES LIMITED** will be held on Saturday, December 26, 2020 at 11.30 A.M through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt:

(a) the Audited Consolidated Financial Statement of the Company for the financial year ended March 31, 2020, together with the Reports of the Auditors; and

(b) the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020, the reports of the Board of Directors and the Auditors thereon.

2. To appoint a Director in place of Mr. Rahul L. Kanodia (DIN: 00075801), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

**3. To appoint Mrs. Asha L. Kanodia as Non-Executive Non-Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 and any other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Asha L. Kanodia (DIN: 00008061), appointed as Non-Executive Non-Independent Additional Director by the Board of Directors with effect from September 10, 2020 and who holds the office pursuant to provisions of Section 161 of the Companies Act, 2013 upto date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing her candidature for the office of Director, be and is hereby appointed as Non-Executive Non-Independent Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the appointment of Mrs. Asha L. Kanodia (DIN: 00008061) having already attained age of 75 years, as Non-Executive Non-Independent Director of the Company, liable to retire by rotation;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard."

**4. To appoint Mrs. Mona Bhide as Woman Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152, 160, Schedule IV and any other applicable provisions of the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mrs. Mona Bhide (DIN: 05203026) who has submitted a declaration that she meets the criteria of Independence as provided in Section 149(6) of the Act and who was appointed as an Additional Director and also as a Woman Independent Director of the Company by the Board of Directors with effect from December 20, 2019 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013, and in respect of whom the Company has received a notice in writing from a member signifying her intention to propose her as a candidate for the office of the Director, be and is hereby appointed as a Woman Independent Director of the Company, not liable to retire by rotation for a term of five (5) years with effect from December 20, 2019 to December 19, 2024;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard."

**5. To re-appoint Dr. Lalit S. Kanodia as Chairman & Whole Time Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 196, 203 and other applicable provisions, if any of the Companies Act, 2013 ("Act"), as amended or re-enacted from time to time, read with Schedule V and rules made

thereunder (including any statutory modification or re-enactment thereof, for the time being in force), and subject to such other consents, approval, permissions as may be required and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, Dr. Lalit S. Kanodia, Chairman & Whole Time Director (DIN: 00008050) of the Company, who has attained the age of 70 years and whose period of office expired on May 14, 2020, and in respect of whom the Company has received a notice in writing from a Member proposing his candidature for the office of Director pursuant to Section 160 of the Companies Act, 2013, be and is hereby re-appointed for a period of five years with effect from May 15, 2020;

**RESOLVED FURTHER THAT** pursuant to regulation 17(6)(e) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 and Sections 197, 198 and other applicable provision of the Companies Act, 2013 and the rules made thereunder (including any statutory modification or re-enactment thereof) read with Schedule V of the Companies Act, 2013 and as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors, consent of the Members be and is hereby accorded for payment of remuneration to Dr. Lalit S. Kanodia (DIN: 00008050), Chairman & Whole Time Director of the Company, as per the below terms and conditions, notwithstanding that the annual aggregate remuneration payable to the Executive Directors, exceeds 5% of the net profit of the Company as calculated under section 198 of the Act in any year during the tenure of his appointment:

| | | | |
|---|---|---|---|
| 1. | Basic Salary | : | Rs. 60,00,000/- per annum. |
| 2. | Personal Allowance/Perks | : | Rs. 22,80,000/- per annum. |
| 3. | Accommodation | : | (i) Rent-free fully furnished accommodation or Allowance as per the rules of the Company;<br>(ii) Reimbursement of gas, electricity and house maintenance expenses subject to one month's basic salary per year i.e. Rs. 5,00,000/- |
| 4. | Medical | : | Reimbursement of medical expenses for self and family subject to maximum of one month's basic salary per year i.e. Rs. 5,00,000/-.<br>Notwithstanding the ceiling specified in clause 2 above, if reimbursement of expenses claimed under clause 3 (ii) and 4 is less than the specified maximum limit, the balance shall be added to the personal allowance on an annual basis. |
| 5. | Leave Travel Allowance | : | As per the rules of the Company. |
| 6. | Club | : | Club Fees subject to maximum of two clubs. This will include annual membership fee but not admission fee and life membership fee. |
| 7. | Insurance | : | As per the rules of the Company. |
| 8. | Leave | : | As per the rules of the Company. |
| 9. | Provident Fund | : | Contribution to Provident Fund/ Annuity Fund/Superannuation Fund or allowance as per the rules of the Company. |
| 10. | Gratuity | : | Gratuity in accordance with the rules of the Company. |
| 11. | Car | : | Vehicle(s) as per the rules of the Company. |
| 12. | Telephone | : | Communication facilities as per the rules of the Company. |
| 13. | Commission | : | Upto 1% of the net profits of the Company as computed in accordance with the provisions of 197 of the Companies Act, 2013. |

**RESOLVED FURTHER THAT** the gross remuneration to be paid to Dr. Lalit S. Kanodia be increased, augmented and/or enhanced, subject to the aforesaid provisions and applicable approvals upto 20% per annum or at such other rate as may be approved by the Board;

**RESOLVED FURTHER THAT** in case of absence or inadequacy of profits for any financial year, Dr. Lalit S. Kanodia be paid remuneration by way of salary and perquisites as specified above subject to the requisite approvals and restrictions, if any, set out in Schedule V to the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) as may be applicable from time to time;

**RESOLVED FURTHER THAT** the Board of Directors and/or any Committee thereof be and is hereby authorized from time to time to amend, alter or otherwise vary the terms and conditions of the re-appointment of Dr. Lalit S. Kanodia including remuneration, within the overall limits specified in the Act or other regulations as may be applicable to the Company;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard."

**6. To re-appoint Mr. Vinay Aggarwal as Independent Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, Schedule IV and any other applicable provisions of

the Companies Act, 2013 ("Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vinay Aggarwal (DIN: 00030483), who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five (5) consecutive years with effect from August 28, 2020 to August 27, 2025;

**RESOLVED FURTHER THAT** any of the Directors be and are hereby severally authorized to sign and execute all such documents and papers (including appointment letter etc.) as may be required for the purpose and file necessary e-form with the Registrar of Companies and to do all such acts, deeds and things as may considered expedient and necessary in this regard."

**7. To divest entire 62.51% shares in CIGNEX Datamatics Inc. (a corporation headquartered in the USA), indirectly held by the Company through Datamatics Global Technologies Limited (Mauritius).**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution.

**"RESOLVED THAT** pursuant to Regulation 24 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 180(1)(a) of the Companies Act, 2013, read with rules issued thereunder and all other applicable provisions of the Companies Act, 2013, including any statutory modifications and amendments and applicable notifications, clarifications, circulars, rules and regulations issued by the Government of India, the Ministry of Corporate Affairs, the Securities and Exchange Board of India, and other statutory authorities and subject to the Memorandum and Articles of Association of the Company and other requisite statutory and regulatory approvals, if and to the extent necessary, the consent of the Members be and is hereby accorded to dispose of the entire stake which is indirectly held by the Company in its step down and Material Foreign Subsidiary CignexDatamatics Inc. ("Cignex US") through its wholly-owned subsidiary i.e. Datamatics Global Technologies Limited, Mauritius ("DGTL") by way of divestment through stock redemption agreement entered into by and between Cignex US and DGTL (the said transaction being hereinafter referred to as the "Proposed Divestment" for the purpose of this Resolution);

**RESOLVED FURTHER THAT** Dr. Lalit S. Kanodia, Chairman & Whole-Time Director and/or Mr. Rahul L. Kanodia, Vice-Chairman & CEO and/or Ms. Divya Kumat, EVP, Chief Legal Officer & Company Secretary ("authorized signatories"), be and are hereby severally authorised to perform all the actions involved in facilitating the consummation of the Proposed Divestment, including but not limited to (i) negotiating and finalising (alongside the management and authorised representatives of DGTL and Cignex US) the terms and conditions in relation to the above divestment with the representatives of DGTL and Cignex US; (ii) to execute on behalf of the Company such agreements and documents as may be necessary for the purpose of and in connection with the Proposed Divestment; (iii) to assist the management of DGTL and Cignex US for obtaining approvals (if required) from the concerned regulatory authorities within or outside India; and (iv) taking assistance and advise of professionals such as chartered accountants, solicitors, company secretaries etc. from time to time for the purpose of the Proposed Divestment;

**RESOLVED FURTHER THAT** authorized signatories be and are hereby severally authorised to do all such acts, deeds and things and take all such steps and actions, execute all such deeds, documents and writings and also give such directions and delegations, as it may in its absolute discretion deem fit;

**RESOLVED FURTHER THAT** all acts, deeds, matters and things, either verbal or written or otherwise, already done by the Company and/or any of its Directors and/or officers and/or representatives for and in the name of the Company and its subsidiaries in this regard be and is hereby noted, ratified and approved."

By **Order of the Board of Directors**
**Divya Kumat**
**EVP, Chief Legal Officer &**
**Company Secretary**

**Place** : Mumbai
**Date** : November 24, 2020

**Registered Office:**
Knowledge Centre, Plot No. 58, Street No. 17
MIDC, Andheri (E), Mumbai - 400 093.
CIN: L72200MH1987PLC045205
Tel: +91(22) 61020000/1/2 | Fax: +91(22)28343669
Website: www.datamatics.com
Email: *investors@datamatics.com*

**NOTES:**

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.

2. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking appointment/re-appointment at this AGM is annexed.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to swapneel@spassociates.co with a copy marked to evoting@nsdl.co.in.

5. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Datamatics Business Solutions Limited ("DBSL") for assistance in this regard.

6. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with DBSL in case the shares are held by them in physical form.

7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to DBSL in case the shares are held by them in physical form.

8. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to DBSL in case the shares are held in physical form.

9. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or DBSL, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.

10. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

11. Shareholders are requested to forward their queries on the annual report for the financial year ended March 31, 2020 to the Company on investors@datamatics.com atleast 10 days in advance, to enable us to keep the required information available at the Meeting.

12. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to claim their dividends from the Company, within the stipulated timeline. The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in. Members' attention is particularly drawn to the "Corporate Governance" section with respect to unclaimed and unpaid dividends.

13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website www.datamatics.com at the link https://www.datamatics.com/about-us/investor-relations/financials, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of NSDL https://www.evoting.nsdl.com.

14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

15. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.

16. Instructions for e-voting and joining the AGM are as follows:

### A. VOTING THROUGH ELECTRONIC MEANS

**i.** Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as voting on the date of the AGM will be provided by NSDL.

**ii.** The remote e-voting period commences on December 23, 2020 (9:00 a.m. IST) and ends on December 25, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on December 19, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM. The Register of members and Share Transfer Books of the Company will be closed from December 20 2020 to December 26, 2020.

**iii.** The Registers required to be maintained under the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode . Members can inspect the same by sending an email to investors@datamatics.com.

**iv.** The Board of Directors has appointed Mr. Swapneel V. Patel, Company Secretary in Practice (Membership No. A41106/Certificate of Practice No. 15628) as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.

**v.** The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.

**vi.** The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

**vii.** A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, will only be entitled to avail the facility of remote e-Voting as well as voting through e-voting system during the AGM.

**viii.** Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he/she is already registered with NSDL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.

**ix.** The details of the process and manner for remote e-voting are explained herein below:

Step 1: Log-in to NSDL e-voting system at https://www.evoting.nsdl.com/

Step 2: Cast your vote electronically on NSDL e-voting system.

**Details on Step 1 are mentioned below:**

**How to Log-in to NSDL e-voting website?**

1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting. nsdl.com/ either on a personal computer or on a mobile.
2. Once the home page of e-voting system is launched, click on the icon "Login" which is available under "Shareholders" section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-voting and you can proceed to Step 2 i.e. cast your vote electronically.
4. Your User ID details are given below:

| **Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical** | **Your User ID is:** |
|---|---|
| a) For Members who hold shares in demat account with NSDL. | 8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12****** |
| b) For Members who hold shares in demat account with CDSL. | 16 Digit Beneficiary ID For example, if your Beneficiary ID is 12********** then your user ID is 12********** |
| c) For Members holding shares in Physical Form. | EVEN Number followed by Folio Number registered with the company For example, if EVEN is 123456 and folio number is 001*** then user ID is 123456001*** |

5. Your password details are given below:
   a) If you are already registered for e-voting, then you can use your existing password to login and cast your vote.
   b) If you are using NSDL e-voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you by NSDL. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system.
   c) How to retrieve your 'initial password'?
      i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL in your mailbox from evoting@nsdl.com. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. In case you have not registered your email address with the Company/ Depository, please follow instructions mentioned below in this notice.

6. If you are unable to retrieve or have not received the 'initial password' or have forgotten your password:

   a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the one-time password (OTP) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, click on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-voting will open.

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically on NSDL e-voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-voting. Click on e-voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of the Company, which is 115024.
4. Now you are ready for e-voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## General Guidelines for shareholders

1. Institutional / Corporate shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc., with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by email to swapneel@spassociates.co with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on https://www.evoting.nsdl.com to reset the password.
3. In case of any queries relating to e-voting you may refer to the FAQs for Shareholders and e-voting user manual for Shareholders available at the download section of https://www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in.
4. In case of any grievances connected with facility for e-voting, please contact Ms. Pallavi Mhatre, Manager, NSDL, 4th Floor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013. Email: evoting@nsdl.co.in/pallavid@nsdl.co.in, Tel: 91 22 2499 4545/ 1800-222-990.

**Process for registration of email id for obtaining Annual Report and user id/password for e-voting and updation of bank account mandate:**

| | |
|---|---|
| Physical Holding | Send a request to the Registrar and Transfer Agents of the Company, DBSL at investorsqry@datamaticsbpm.com providing Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) for registering email address. Following additional details need to be provided in case of updating Bank Account Details:<br>a) Name and Branch of the Bank in which you wish to receive the dividend,<br>b) the Bank Account type,<br>c) Bank Account Number allotted by their banks after implementation of Core Banking Solutions<br>d) 9 digit MICR Code Number, and<br>e) 11 digit IFSC Code<br>f) a scanned copy of the cancelled cheque bearing the name of the first shareholder. |
| Demat Holding | Please contact your Depository Participant (DP) and register your email address and bank account details in your demat account, as per the process advised by your DP. |

## B. INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC / OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

3. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in/ 1800-222-990 or contact Mr. Amit Vishal, Senior Manager – NSDL at amitv@nsdl.co.in/ 022-24994360or Mr. Sagar Ghosalkar, Assistant Manager- NSDL at sagar.ghosalkar@nsdl.co.in/ 022-24994553.

4. Members can submit questions in advance with regard to any business set out in the Notice of the 32nd AGM, from their registered email address, mentioning their name, DP ID and Client ID number /folio number and mobile number, to reach the Company's email address investors@datamatics.com atleast 48 hours in advance before the start of the meeting i.e. by December 24, 2020 by 11:30 a.m. IST. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.

5. A facility will be provided to the Shareholders attending the meeting through VC/ OAVM, whereby they can pose questions concurrently, during the proceeding of the meeting. Questions raised during the meeting will be responded by the company suitably. Company however reserves the right to limit and respond to queries raised by members.

6. Members are encouraged to join the Meeting through Laptops for better experience.

7. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

8. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

## C. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.

2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**Other Instructions**

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.

2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.datamatics.com and on the website of NSDL https://www.evoting.nsdl.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited and BSE Limited, where the shares of the Company are listed.

**By Order of the Board of Directors**
**Divya Kumat**
**EVP, Chief Legal Officer &**
**Company Secretary**

**Place :** Mumbai
**Date:** November 24, , 2020

## Explanatory Statement Pursuant to Section 102 of the Companies Act, 2013

**Item No. 3**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Asha L. Kanodia as an Additional Director of the Company with effect from September 10, 2020 under Section 161 of the Companies Act, 2013. In terms of Section 161(1) of the Act, Mrs. Asha L. Kanodia holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose Mrs. Asha L. Kanodia appointment as a Non-Executive Non-Independent Director, liable to retire by rotation.

Mrs. Asha L. Kanodia is not disqualified from being appointed as a Non-Executive Non-Independent Director in terms of Section 164 and has also given her consent to act as Non-Executive Director of the Company.

Further as per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that Mrs. Asha L. Kanodia has already attained the age of 75 years, it is necessary to approve appointment of her directorship on the Board of Directors of the Company by way of a special resolution.

She holds 33,05,258 equity shares of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Dr. Lalit S. Kanodia, Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying Notice of the AGM.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

**Brief Profile and Justification for appointment of Mrs. Asha Kanodia [DIN: 00008061] as Non-Executive Director of the Company:**

Mrs. Asha Kanodia, wife of Chairman Dr. Lalit S. Kanodia has done her graduation in psychology from University of Mumbai. She studied Social Psychology at the Massachusetts Institute of Technology, USA. She is also an Interior Designer and has designed most of Datamatics offices.

Mrs. Asha Kanodia with her expertise, skills and knowledge, can articulate and provide valuable guidance and inputs in all matters pertaining business matters and the Board of the Company believes that her association will be valuable and positive.

The Board recommends Special Resolution set out at Item No. 3 of the Notice for approval by the Members.

**Item No. 4**

Based on recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Mona Bhide as an Additional Director under section 161 and also as Woman Independent Director of the Company, subject to approval of the Members, for a term of 5(five) year with effect from December 20, 2019 to December 19, 2024. In terms of Section 161(1) of the Act, Mrs. Mona Bhide holds office only upto the date of the forthcoming AGM but is eligible for appointment as a Director. A notice under Section 160(1) of the Act has been received from a Member signifying its intention to propose appointment of Mrs. Mona Bhide as Non-Executive Woman Independent Director, not liable to retire by rotation.

Mrs. Mona Bhide is not disqualified from being appointed as a Non-Executive Woman Independent Director in terms of Section 164 and has also given her consent to act as Non-Executive Woman Independent Director of the Company.

Further the Company has also received declarations from Mrs. Mona Bhide that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

In the opinion of the Board, Mrs. Mona Bhide fulfils the conditions for appointment as Non-Executive Woman Independent Director as specified in the Act and the Listing Regulations.

Mrs. Mona Bhide does not hold any equity shares of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying Notice of the AGM. Mrs. Mona Bhide is not related to any Director of the Company.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

**Brief Profile of the Director seeking appointment - Mrs. Mona Bhide [DIN: 05203026]**

Ms. Mona Bhide is a commerce and law graduate and has done her LLM from Northwest University School of Law, Chicago. She has further studied Securities Law, Business Corporation and M&A at Kellog Management School.

She is a Managing Partner at Dave & Girish & Co., law firm focusing on Corporate & Securities laws since 1992. She is presently in charge of International Corporate Law and structured finance. She has also advised on joint ventures, mergers/acquisitions, securities law (domestic and offshore issues) project finance, technology transfer, corporate restructuring, securitisation, derivatives, and intricated financial structures for Banks and Corporates.

She is rated as "Highly Recommended Lawyer" by Global Counsel 3000 for Projects, Restructuring and Insolvency, Company & Corporate Transactions and Project Finance and is a Member of:-

(a) Bar Council of Maharashtra & Goa;

(b) Law Society, London; and

(c) International Bar Association.

Looking at Mrs. Mona Bhide's rich experience and expertise, the management feels that her appointment as Non-Executive Woman Independent Director will be beneficial to the Company and its stakeholders.

The Board recommends Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

**Item No.5**

The members of the Company had, at the 27th AGM of the Company held on August 28, 2015, re-appointed Dr. Lalit S. Kanodia as Chairman & Whole Time Director of the Company for a period of five years effective from May 15, 2015. As per the terms, tenure of his appointment expired on May 14, 2020.

Accordingly, on the recommendation of Nomination & Remuneration Committee, the Board of Directors have, at their meeting held on May 14, 2020, re-appointed Dr. Lalit S. Kanodia as Chairman & Whole Time Director for a further period of five years, with effect from May 15, 2020, subject to approval of the Members by way of Special Resolution.

Requisite Notice under Section 160 of the Act proposing the re-appointment of Dr. Lalit S. Kanodia has been received by the Company. Dr. Lalit S. Kanodia is not disqualified from being reappointed as a Chairman & Whole Time Director in terms of Section 164 and Section 196 of the Companies Act, 2013 and has also given his consent to act as Chairman & Whole-Time Director of the Company.

As per Section 196 of the Companies Act, 2013 no company shall appoint or continue the employment of any person as whole-time director who has attained the age of 70 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering that Dr. Lalit S. Kanodia has already attained the age of 70 years, it is necessary to approve reappointment of his directorship on the Board of Directors of the Company by way of a special resolution.

Further in terms of Regulation 17 (6)(e) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations. 2018 issued on May 09, 2018 ('Amended Listing Regulations'), the remuneration payable to Executive Directors who are promoters or members of promoter group, shall be subject to the approval of the shareholders by Special Resolution, where the aggregate annual remuneration payable to such directors exceeds five per cent (5%) of the net profits of the Company. Considering the said limits the Board recommends Special Resolution for paying remuneration exceeding the prescribed limits in any year during the tenure of this appointment, for the approval of the shareholders of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Rahul L. Kanodia, Mr. Sameer L. Kanodia and Mrs. Asha Kanodia are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

**Brief Profile and Justification for re appointment of Dr. Lalit S. Kanodia [DIN: 00008050] as Chairman & Whole Time Director of the Company:**

Dr. Lalit S. Kanodia, the founder and Chairman of Datamatics Group of Companies is one of the pioneers in the Indian Software and Offshore Services Industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up of Tata Consultancy Services in 1967.

As Chief Mentor at Datamatics, Dr. Kanodia drives all innovation, new product development and quality initiatives. His inspirational leadership has led Datamatics to be conferred with various awards over the years, including the Most Innovative Software Product Award, the International Asia Pacific Quality Award and being ranked among the top 50 best managed outsourcing vendors by 'The Black Book of Outsourcing'.

Currently, he has been nominated as a member of the Advisory Council of the University of Mumbai (having about 800 colleges and over 250,000 students) by the Hon'ble Governor of Maharashtra. Dr. Kanodia has held eminent positions in prestigious organizations, industry associations, such as-

a. President of Management Consultants of India (1979 – 1980)

b. Executive Board Member of MIT, USA (2009 – 2016)

c. National President of the Indo American Chamber of Commerce (2015 – 2016)

d. President of IMC Chamber of Commerce and Industry (2017 – 2018)

e. Executive Member of NASSCOM, the apex body of the IT-BPO industry in India;

Dr. Kanodia was also on the Board of Directors of several large conglomerates. He was the Honorary Consul General of Chile in Mumbai, India by the Government of Chile (2002 – 2014).

After obtaining degree in engineering from India's premier technology institute, IIT, Bombay, Dr. Kanodia completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA).

Dr. Lalit S. Kanodia holds 36,88,265 equity shares of the Company.

Considering the significant contribution made by Dr. Kanodia in the development and growth of the Company, the Nomination and Remuneration Committee has recommended and the Board has, subject to approval of members, approved re-appointment of Dr. Lalit S. Kanodia, as Chairman & Whole Time Director of the Company for a further period of five (5) years with effect from May 15, 2020 to May 14, 2025.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

**Item No. 6**

At the 27th Annual General Meeting of the Company Mr. Vinay Aggarwal was appointed as Independent Director for term of 5(five) years from August 28, 2015 upto August 27, 2020 pursuant to the provisions of Section 149 of the Act read with

the Companies (Appointment and Qualification of Directors) Rules, 2014 read with Schedule IV to the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee, on the basis of the report of performance evaluation of Independent Directors, has recommended and Board of Directors on basis of such recommendation have approved, subject to approval of members, re-appointment of Mr. Vinay Aggarwal as Independent Director for a second term of five (5) consecutive years with effect from August 27, 2020 to August 26, 2025.

The Company has also received declarations from Mr. Vinay Aggarwal that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations.

The Board is of the view that the continued association of Mr. Vinay Aggarwal would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director. Therefore, it is proposed to re-appoint Mr. Vinay Aggarwal as Independent Director of the Company, not liable to retire by rotation.

In the opinion of the Board, Mr. Vinay Aggarwal fulfil the conditions for re-appointment as Independent Director as specified in the Act and the Listing Regulations.

Mr. Vinay Aggarwal does not hold any equity shares of the Company.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 6 of the accompanying Notice of the AGM. Mr. Vinay Aggarwal is not related to any Director of the Company.

The details of the directors seeking appointment/re-appointment as required by Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Secretarial Standards-2 issued by the Institute of Company Secretaries of India and notified by Central Government are annexed hereto.

**Brief Profile of the Director seeking re-appointment - Mr. Vinay Aggarwal [DIN: 00030483]**

Mr. Vinay Aggarwal has an MBA in finance from North Eastern University, USA. After a stint with Unisys in Detroit, he became Vice President of Tata Unisys Ltd. (1981 – 89). Thereafter, he was appointed as CFO of TCS which position he occupied between 1990 and 2003. Mr. Vinay Aggarwal was the Chief Financial Officer at TCS for more than a decade, and also worked briefly as CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an independent consultant.

The Board recommends the Special Resolutions set out at Item No. 6 of the Notice for approval by the Members.

**Item No. 7**

Datamatics Global Technologies Limited, Mauritius (DGTL) is a wholly owned subsidiary of the Company. DGTL holds 62.51% stake in Cignex Datamatics Inc. ("Cignex US"), which is headquartered in USA. Therefore, Cignex US is a step down subsidiary of the Company.

Cignex US and DGTL are also considered to be "Material Subsidiaries" of the Company as per Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Cignex US, in turn, is a Holding Company of (i) Cignex Datamatics Technologies Limited, India; (ii) Cignex DatamaticsPte. Ltd, Singapore; (iii) Cignex Datamatics GmbH, Germany; (iv) Cignex Datamatics UK Ltd, UK. However, Cignex Datamatics GmbH, Germany and Cignex Datamatics UK Ltd, UK are under liquidation.

The Proposed Divestment will be effected through a stock redemption agreement, pursuant to which Cignex US will buy back the entire 62.51% stake held by DGTL in Cignex US for an aggregate price of USD 16,568,903, of which USD 7,973,778 will be paid upfront to DGTL and the balance will be paid within 3 (three) years.

As a result of the Proposed Divestment, Cignex US and its subsidiaries shall ultimately cease to be step-down subsidiaries of the Company.

The Management believes that the Proposed Divestment is beneficial to the Company and its stakeholders because this divestment will help us free management bandwidth and provide funds to focus on our digital products and solutions and future business areas.

The Board of Directors at their meeting held on 24th November, 2020 has evaluated the Proposed Divestment and after considering the advantages and merits thereof and in the interest of the Company and its stakeholders, it has unanimously resolved to accept the offer and consummate the Proposed Divestment, subject to the approval of the members of the Company.

Regulation 24 (5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, provides that a listed entity shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than 50% or cease the exercise of control over the subsidiary, without passing a special resolution in its General Meeting.

Further Regulation 24(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 provides that a listed entity shall not sell, dispose of or lease assets amounting to more than 20% of the assets of material subsidiary on aggregate basis during a financial year, without passing a special resolution in its General Meeting.

Considering that the consummation of the Proposed Divestment would result in the (i) disposal of Cignex US (being a material subsidiary) held through DGTL (being a material subsidiary) and consequent reduction of the entire "indirect" shareholding of the Company in Cignex US and its subsidiaries and also cessation of control; and (ii) disposal of entire investment of DGTL (being a material subsidiary) in Cignex US constituting more than 20% of its assets, approval of the members of the Company is required by way of a special resolution.

Provisions of Section 180(1)(a) of Companies Act, 2013, restricts a company from disposing off the whole or substantially the whole of its undertaking without obtaining prior approval of the members by way of a special resolution. In terms of explanation to Section 180(1)(a), 'undertaking' means an undertaking in which the investment of the company exceeds 20% of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the company during the previous financial year.

The total income of Cignex US does not exceed 20% of the total consolidated income of the Company and it has also been held by the Hon'ble Bombay High Court that, the sale of shares of the subsidiary Company, howsoever controlling interest they may have, does not amount to, sale of an "undertaking". Therefore, based on the legal opinions received from the solicitors of the Company, the management of the Company is of the view that, the provisions of Section 180(1)(a) of the Act are not applicable. However, since Cignex US and its subsidiaries income is more than 20% of the total standalone income of the Company during the financial year ending March 31, 2020, it is thought as a matter of abundant caution to seek approval of the Shareholders in terms of Section 180(1)(a) of the Act as well.

Cignex US and DGTL belong to the Promoter Group of the Company, the management wishes to clarify that the proposed divestment is not regarded as a related party transaction either under the Companies Act, 2013 or under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

In view of the aforesaid, your Directors recommend the said special resolution for your approval, as they sincerely believe the same to be in the interest of the Company and its shareholders. None of the Directors or Key Managerial Personnel of the Company are in any way concerned or interested, financially or otherwise in this resolution, except as members to the extent of their shareholdings in the Company.

**DETAILS OF DIRECTORS SEEKING APPOINTMENT/REAPPOINTMENT AT THE AGM PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2:**

| Name of Director | Mr. Rahul L. Kanodia | Mrs. Asha L. Kanodia | Mrs. Mona Bhide | Dr. Lalit S. Kanodia | Mr. Vinay Aggarwal |
|---|---|---|---|---|---|
| DIN | 00075801 | 00008061 | 005203026 | 00008050 | 00030483 |
| Date of birth | November 25, 1966 | November 16, 1943 | April 17, 1963 | March 30, 1941 | August 20, 1952 |
| Age | 53 Years | 76 Years | 57 Years | 79 Years | 67 Years |
| Qualification | MBA from Columbia University, USA with a major in Business Strategy & Marketing and a minor in Mergers & Acquisition and Turnaround Management. | Graduate in Psychology from Massachusetts University, USA | LLB and LLM from Northwest University School of Law, Chicago. | PhD, MBA and Bachelors in Engineering from IIT Mumbai | MBA in Finance from North Eastern University, USA |
| Expertise in specific functional areas | He has over 30 years of professional experience and has expertise in the field of Business Strategies, Marketing, Finance, Merger and Amalgamations. | She has done her graduation in psychology from University of Mumbai. She studied Social Psychology at the Massachusetts Institute of Technology, USA. She is also an Interior Designer and has designed most of Datamatics Offices. | She is a Managing Partner at Dave & Girish & Co., law firm focusing on Corporate & Securities laws since 1992. She is presently in charge of International Corporate Law and structured finance. She has also advised on Joint ventures, mergers/acquisitions, Securities law (domestic and offshore issues) Project finance, Technology Transfer, Corporate restructuring, Securitisation, Derivatives, and intricated financial structures for Banks and Corporates.<br>She is rated as "Highly Recommended Lawyer" by Global Counsel 3000 for Projects, Restructuring and Insolvency, Company & Corporate Transactions and Project Finance and is a Member of:-<br>Bar Council of Maharashtra & Goa,<br>Law Society, London,<br>International Bar Association. | He has obtained degree in engineering from India's premier technology institute, IIT, Bombay, Dr. Kanodia completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA).<br>Dr. Lalit S. Kanodia, the founder and Chairman of Datamatics Group of Companies is one of the pioneers in the Indian Software and Offshore Services Industry. He founded Datamatics in 1975, prior to which he was instrumental in setting up of Tata Consultancy Services in 1967.<br>With his inspirational leadership skill, Dr. Lalit Kanodia as Chief Mentor at Datamatics, drives all innovation, new product development and quality initiatives.<br>Dr. Kanodia has held eminent positions in prestigious organizations such as IMC chamber of commerce & industry and Indo American Chamber of Commerce (IACC), NASSCOM, the apex body of the IT-BPO industry in India, etc;<br>Dr. Kanodia has also been on the Board of Directors of several large conglomerates. He was also the Honorary Consul General of Chile in Mumbai, India by the Government of Chile (2002 – 2014).<br>Dr. Kanodia is currently on the Executive Board of MIT (Europe, Asia and Africa). | He is MBA in Finance from North Eastern University, USA. After a stint with Unisys in Detroit, he became the Vice President of Tata Unisys Ltd. (1981- 89). Thereafter he was appointed as CFO of TCS (1990- 2003). Mr. Vinay Aggarwal, was the Chief Financial Officer at TCS for more than a decade, and also worked briefly as CFO of Flag Telecom, a subsidiary of Reliance Communications. He is now an Independent Consultant. |

| Name of Director | Mr. Rahul L. Kanodia | Mrs. Asha L. Kanodia | Mrs. Mona Bhide | Dr. Lalit S. Kanodia | Mr. Vinay Aggarwal |
|---|---|---|---|---|---|
| Date of appointment / re-appointment | September 28, 2007 | September 10, 2020 | December 20, 2019 | November 03, 1987 | May 27, 2015 |
| No. of Meetings of the Board attended during FY 2019-20 | 5 out of 5 meetings held | 4 out of 5 meetings held | 1 out of 5 meetings held | 4 out of 5 meetings held | 5 out of 5 meetings held |
| Directorship held in other companies (excluding foreign, private and Section 8 Companies and Datamatics Global Services Limited). | 5 (five):<br>Safari Industries (India) Limited<br>Lumina Datamatics Limited<br>Datamatics Digital Limited<br>Cybercom Datamatics Information Solutions Limited<br>Datamatics Robotics Software Limited | Nil | 2(Two)<br>GIC Housing Finance Limited<br>Vinati Organics Limited | 6 (Six):<br>RPG Life Sciences Limited<br>Lumina Datamatics Limited<br>Cignex Datamatics Technologies Limited<br>Datamatics Staffing Services Limited<br>LD Publishing & e-Retail Limited<br>Datamatics Robotics Software Limited | Nil |
| Membership in Committees (This includes the Chairmanships/ Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies, excluding Datamatics Global Services Limited.) | Nil | Nil | Stakeholders Relationship Committee<br>GIC Housing Finance Limited<br>Audit Committee<br>Vinati Organics Limited | Nil | Nil |
| Shareholding in the Company | 209 shares | 3,305,258 shares | Nil | 36,88,265 shares | Nil |
| Directorship in other listed entities | Safari Industries (India) Limited, Independent Director | NA | • Vinati Organics Limited; Non-Executive Independent Director<br>• GIC Housing Finance Limited; Non-Executive Independent Director | RPG Life Sciences Limited, Independent Director | NA |
| Disclosure of relationships between directors inter-se | He is son of Dr. Lalit S. Kanodia & Mrs. Asha L. Kanodia and brother of Mr. Sameer L. Kanodia, Directors of the Company. | She is wife of Dr. Lalit S. Kanodia, Chairman Whole time Director of the Company and Mother of Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia Directors of the Company. | NA | He is husband of Mrs. Asha L. Kanodia and Father of Mr. Rahul L. Kanodia and Mr. Sameer L. Kanodia Directors of the Company. | NA |

By **Order of the Board of Directors**
**Divya Kumat**
**EVP, Chief Legal Officer &**
**Company Secretary**

**Place** : Mumbai
**Date** : November 24, 2020

**Registered Office:**
Knowledge Centre, Plot No. 58, Street No. 17,
MIDC, Andheri (E), Mumbai - 400 093.
CIN: L72200MH1987PLC045205
Tel: +91(22) 61020000/1/2 | Fax: +91(22)28343669
Website: www.datamatics.com
Email: investors@datamatics.com

# BOARD'S REPORT

On behalf of the Board of Directors, I am happy to present the 32nd Board's Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2020.

## FINANCIAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2020 as compared to the previous financial year ended March 31, 2019 is summarized below:

(₹ in Million)

| Particulars | Consolidated | | Standalone | |
|---|---|---|---|---|
| | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| Revenue from operations | 12,033.24 | 11,334.90 | 4,158.35 | 3,896.72 |
| Other Income | 205.10 | 108.12 | 143.36 | 66.49 |
| **Total Income** | **12,238.34** | **11,443.02** | **4,301.71** | **3,963.21** |
| Profit before Interest, Depreciation and Tax | 1,440.83 | 1,447.19 | 572.53 | 547.17 |
| Interest | 46.26 | 47.71 | 24.35 | 34.50 |
| Profit before Depreciation and Tax | 1,394.57 | 1,399.66 | 548.18 | 512.67 |
| Depreciation | 369.97 | 260.35 | 129.15 | 120.32 |
| Impairment of Goodwill | 157.72 | - | - | - |
| Share of profit of Joint Venture | 12.03 | 8.98 | - | - |
| **Profit Before Tax** | **878.91** | **1,147.51** | **419.03** | **392.35** |
| Provision for Taxation | 260.64 | 302.76 | 111.63 | 99.99 |
| **Profit After Tax** | **618.27** | **844.75** | **307.40** | **292.36** |
| Share of Minority Interest in Profit for the year | (20.37) | 99.68 | - | - |
| Profit for the year | 638.64 | 745.07 | 307.40 | 292.36 |
| Balance Brought Forward from Previous Year | 3,992.59 | 3,290.81 | 1,989.55 | 1,721.80 |
| Purchase / Sale of Non-controlling Interest | 38.48 | (18.72) | - | - |
| Dividend | (58.95) | (14.73) | (58.95) | (14.76) |
| Tax on Dividend | (9.92) | (9.84) | (9.92) | (9.85) |
| Ind AS 116 Adjustment | (55.01) | - | (3.44) | - |
| Balance Carried Forward | **4,525.46** | 3,992.59 | **2,224.64** | 1,989.55 |

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

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

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

The Company is a global Technology, BPM and Digital Solutions organization providing intelligent solutions for data driven businesses to increase productivity and enhance the customer experience.

On a Consolidated basis, your Company achieved revenue from operations of ₹12,033.24 million, higher by 6.2% as compared to ₹11,334.90 million in the previous year.

The company recorded a non-recurring impairment charge of ₹157.72 million relating to the goodwill balance of Duo, a step down subsidiary, due to sale of company's business to a third party and subsequent sale of equity in the company. This was a non-core business for the company and the impairment charge was necessary given the sale of business and equity in step down subsidiary in April-2020.

The profit after tax for the current year was ₹618.27 million (₹775.99 million without considering goodwill impairment as stated above) as compared to ₹844.75 million in the previous year.

COVID also impacted our revenue and profit before taxes by ₹90 million and ₹80 million respectively.

The revenue from operations on a standalone basis is ₹4,158.35 million, higher by 6.7% as compared to ₹3,896.72 million in the previous year. The profit after tax for the current year was ₹307.40 million as against ₹292.36 million in the previous year.

## DIVIDEND

The recent outbreak of novel coronavirus ("**COVID-19**") has caused worldwide unprecedented disruptions to business operations. The pandemic has impacted the ability of companies across the globe to maintain steady operations and perform their respective contractual obligations. This in turn has led to the collapse of stock

markets around the world, leading to the collapse of stock markets in India. A combination of all these factors has led to a decline in the overall volume of global economic activity.

Considering the above facts, no dividend was recommended by the Board of Directors to the shareholders for the financial year 2019-20.

The Board thinks that it is prudent to conserve cash in preparations for COVID-19 contingencies as well as sustaining and growing the operations.

## TRANSFER TO RESERVES

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation. However, credit balance of Profit and Loss of ₹ 2,224.64 million is transferred to Balance Sheet under the head 'Reserves and Surplus'.

## TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCTION AND PROTECTION FUND (IEPF)

In terms of Section 125 of the Companies Act, 2013 **("the Act"),** unclaimed or unpaid Dividend relating to the financial year 2012-13 was due for transfer on November 28, 2020 to the IEPF established by the Central Government. More details are available on *http://www.datamatics.com/investors/unpaidunclaimed-dividend*.

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

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on www.iepf.gov.in.

## ACCEPTANCE OF DEPOSITS

The Company has not accepted any deposits during the Financial Year 2019-20 in terms of Chapter V of the Act.

## SUBSIDIARY COMPANIES

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2020:

1. Cybercom Datamatics Information Solutions Limited
2. Lumina Datamatics Limited
3. Datamatics Digital Limited
4. Datamatics Staffing Services Limited
5. CIGNEX Datamatics Technologies Limited
6. LDR eRetail Limited
7. Datamatics Robotics Software Limited
8. RJ Globus Solutions Private Limited*
9. LD Publishing & eRetail Limited*

*Under process of striking off.

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2020:

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

@ Merged with and into Datamatics Global Services, Inc. (US) w.e.f. April 1, 2020.

* Liquidated w.e.f. June 13, 2019.

# Under process of liquidation.

$ Dissolved as on March 31, 2020.

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

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

## SHARE CAPITAL

As on March 31, 2020, the paid-up share capital of the company was ₹294.75 million divided into 58,949,337 equity shares of ₹ 5/- each fully paid up. During the year, there has been no change in the paid- up share capital of the company.

The authorized share capital of the company was ₹ 975.5 million as on March 31, 2020.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

**Retirement by Rotation.**

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

**Appointment of Mrs. Asha L. Kanodia as Non-Executive Director of the Company**.

During the year under review, Mrs. Asha L. Kanodia (DIN: 00008061) Non-Executive Director resigned from the office of director with effect from March 2, 2020.

However, considering her expertise and contribution to the company in the past, the Board of Directors, on recommendation of Nomination and Remuneration Committee has again appointed Mrs. Asha L. Kanodia (DIN: 00008061) as an Non-Executive Additional Director of the Company with effect from September 10, 2020 under Section 161 of the Companies Act, 2013. A resolution seeking shareholders' approval for her appointment forms a part of the Notice.

A brief profile along with necessary disclosures of Mrs. Asha L. Kanodia has been annexed to the Notice convening the ensuing AGM.

**Appointment of Mrs. Mona Bhide as Independent Director of the Company**.

Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors of the Company through Resolution by Circulation dated December 20, 2019 has approved the appointment of Mrs. Mona Bhide (DIN: 05203026), as an Additional Director under section 161 and also as a Woman Independent Director of the Company, subject to approval of the Members, for a term of 5 (five) years with effect from December 20, 2019 to December 19, 2024.

The Company has received Notice under Section 160 of the Companies Act, 2013 from the Member(s) of the Company signifying the candidature of Mrs. Mona Bhide for her appointment as Non-Executive Woman Independent Director of the Company at the ensuing AGM, not liable to retire by rotation.

A brief profile along with necessary disclosures of Mrs. Mona Bhide has been annexed to the Notice convening the ensuing AGM.

**Re-appointment of Dr. Lalit S. Kanodia, Chairman & Whole Time Director**

The members of the Company had, at the 27th AGM of the Company held on August 28, 2015, re-appointed Dr. Lalit S. Kanodia as Chairman & Whole Time Director of the Company for a period of five years effective from May 15, 2015. As per the terms, tenure of his appointment expired on May 14, 2020.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 14, 2020, has re-appointed Dr. Lalit S. Kanodia as a Chairman & Whole Time Director of the Company for a further period of five years with effect from May 15, 2020, subject to the approval of the members.

A brief profile along with necessary disclosures of Dr. Lalit S. Kanodia has been annexed to the Notice convening the ensuing AGM.

**Re-appointment of Mr. Vinay Aggarwal as Independent Director of the Company**.

The members of the Company had, at the 27th Annual General Meeting held on August 28, 2015 appointed Mr. Vinay Aggarwal as Independent Directors of the Company for a period of five years with effect from August 28, 2015. According to his term, the tenure of Mr. Vinay Aggarwal as Independent Director expired on August 27, 2020.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 14, 2020, subject to the approval of shareholders at the ensuing AGM, re-appointed Mr. Vinay Aggarwal as Independent Director of the Company for a further period of five years with effect from August 27, 2020.

A brief profile along with necessary disclosures of Mr. Vinay Aggarwal has been annexed to the Notice convening the ensuing AGM.

**Cessation of Director**

Mr. Shahzaad S. Dalal's term as an Independent Director got completed on 22nd September, 2019.

The Board places on record its sincere appreciation for the invaluable contribution, advice and support rendered by Mr. Shahzaad S. Dalal during his tenure as Directors of the Company

**Declaration by Independent Directors.**

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

The Board of Directors of the Company is of the view that all the Independent Directors including those who are appointed/ re-appointed during the year under review fulfils the criteria of independence and they are independent from the management of the Company. All Independent Directors of the Company have confirmed that they have registered themselves with Independent Directors' Database of IICA and will appear for the online proficiency test of IICA, if applicable.

## MEETINGS OF THE BOARD

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

## BOARD AND COMMITTEE EVALUATION

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

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

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

## FUTURE GROWTH STRATEGY

With COVID-19 pandemic, there is a high uncertainty around the global growth forecast. Though the IT and BPM industry is going to get impacted because of COVID-19, it is too early to forecast how the worldwide IT and BPM industry will fare in the next 12 months.

## DATAMATICS RESPONSE TO COVID-19

For Datamatics, the top priorities as an organization are:

1. Employee well-being
2. Focus on customers & retention
3. Manage cash flows & liquidity

Team Datamatics has done exceedingly well in managing on all the three fronts in the face of the current crisis. Also, with a diversified customer base across the industries, Datamatics believes that the company is better prepared to face the challenge:

1. **Employee well-being:** The employees are of foremost importance for Datamatics. Protecting the health and life of all Datamaticians and their families occupies center stage. At a company level, Datamatics is implementing all the guidelines recommended by the Government to ensure the safety and well-being of employees and to reduce the spread of the pandemic in the society at large.

2. **Focus on customers:** Servicing and retaining all Datamatics customers is of paramount importance. The current crisis and lockdowns with short notices have put high pressure on Team Datamatics to deliver to its customers. Datamatics has enabled over 99% of employees to work-from-home in a matter of very few days.

   With the onset of a global economic slowdown, many Datamatics customers will come under stress with their business shrinking. It will naturally cause their priorities to change towards scaling back, conserving cash, and exploring ways of becoming more efficient by leveraging digital technologies, and perhaps redesign their core business. As the customers adopt digital technologies to drive their businesses, it provides the company an excellent opportunity to partner with them in implementing digital transformation solutions that would enable them to remain competitive.

3. **Managing cash-flow:** This is a top priority for the company. The Datamatics Management team is keeping a keen eye on the cash flow, taking all the necessary efforts to actively conserve cash, and curtail all discretionary spends.

**COVID-19 Enterprise Support Program Powered By TruBot**

To help enterprises navigate the business risk and mitigate their productivity losses, Datamatics has launched 'COVID-19 Enterprise Support Program'. Under this program, Datamatics is offering free use of three TruBots until 30th September 2020. With this program, the company aims to help the enterprises mitigate business risks and successfully manage their operations remotely by using Datamatics TruBot. The company has seen a good response to this program not only from the existing customers, but also from the other enterprises, which are using RPA for the first time.

## KEY BUSINESS DRIVERS FOR DATAMATICS IN FY 21

- **Products & Platforms:** Datamatics is investing in developing as well as updating its own IP solutions in the digital technology space. Datamatics products and platforms such as TruBot for Robotic Process Automation, TruCap+ for intelligent data capture, iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection, are getting good traction in the market.

- **Partner and reseller channels:** On the back of product strategy, Datamatics is aggressively investing in expanding its partner network and has over 100 partners across the globe. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally. Notable inclusions in the channel ecosystem are TCS as global strategic partner and Ingram Micro, a global broad-based IT distributor, as preferred reseller in India.

- **Automated Fare Collection (AFC):** This has been a key focus area for Datamatics, with it being the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. Datamatics sees this as a huge opportunity in emerging economies around the world, including India. Datamatics is also actively pursuing US market and has recently won the automated fare collection contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

- **Digital Solutions – RPA, Digital Experiences, Cloud:** Datamatics is well positioned to implement digital technologies, such as Intelligent Data Capture, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY20, Datamatics made significant efforts and investments in strengthening its digital footprint.

- **Account Penetration:** Datamatics has customers across industries; many of these are Fortune 500 companies. Datamatics is focusing on deeper penetration within the customer accounts through account management for cross-selling and up-selling through its integrated sales and marketing efforts.

- **Branding & Marketing:** Datamatics has been investing in marketing and branding efforts for increasing visibility, strengthening digital footprint and geographic reach.

## ROBOTICS PROCESS AUTOMATION (RPA)

This year, the company released TruBot 4, the latest version of TruBot RPA. It has over 25 new features making TruBot easier-to-use, more secure, and more intelligent to deliver automation benefits to the customers. Some of the key features in the latest version, such as universal recorder, integrated intelligent document capture, proactive health monitoring, dynamic bot station selector, etc., are unique to TruBot and give the product an edge over the competition.

The company continued to receive several rewards and recognitions for TruBot, including Gold Stevie Award 2019 by American Business Awards®. TruBot has also been recognized with Global FinTech Innovation Awards 2019 by IBS Intelligence.

Datamatics participated in major RPA events across the globe for enhancing the market visibility and to generate new leads. Datamatics experts have been invited as key speakers and panellists at these RPA events besides being present at the booths to exhibit the company's products and soliciting business requests.

The strong presence in the global events & seminars and continuous engagement has given a boost to the visibility of Datamatics solutions and the company has got a good coverage by reputed analyst firms including Gartner, Everest, NelsonHall, etc.

- TruCap+ featured in Everest Peak Matrix - Intelligent Document Processing (IDP) Technology Vendors 2020 as

'MAJOR CONTENDER';

- TruBot recognised by Gartner Peer Insights as 'Voice of the Customer': Robotic Process Automation Software, 2019;
- Datamatics acknowledged by Gartner in Critical Capabilities for Robotic Process Automation report;
- TruBot recognised by Quadrant Knowledge Solutions in SPARK Matrix: for Robotic Process Automation 2019;
- TruBot recognised by Gartner in Magic Quadrant for Robotic Process Automation Software;
- TruBot featured in the NelsonHall NEAT for Intelligent Automation Platforms 2019 as 'HIGH ACHIEVER';
- Datamatics featured in Everest Group PEAK Matrix Assessment, 2019: RPA – Technology Vendor Landscape as 'STAR PERFORMER';
- TruBot recognised by Juniper Research in Robotic Process Automation in Telecoms & Insurance, 2019.

Further, this year the Company has got good success in empanelling the partners for its RPA program and is getting good response from these channel partners. A separate dedicated team has been managing these partners. Datamatics has appointed over 100 such partners already across the globe. These will add to the sales engine besides direct sales.

## QUALITY

Your Company holds Quality as one of its foremost guiding light for its way of working. Customer delight, continuous improvement and agile processes have been the objective of your Company for years and this has helped us to create and maintain a distinct edge over our competitors. The consistent high customer satisfaction ratings and effusive customer testimonials bear an eloquent testimony to this commitment for quality. Needless to say, quality at Datamatics has not only been a legacy but it has been strewn inseparably into its culture, tradition and character.

Your Company believes in the philosophy that quality encompasses and permeates every action and thought process. Quality at Datamatics goes beyond product and services, and forms an integral part of the Datamatics culture. Quality is the DNA of your Company. The industry has always been kind in recognizing the Company's performance, and this year too, Datamaticians and Datamatics featured prominently at various industry platforms by winning prestigious awards.

Your Company is the first and the only I.T. Company to have won the "International Asia Pacific Award" for Quality in services sector. The Award was won against competition from hundreds of companies from 38 countries spread across the world, including the US, Japan, Australia, New Zealand, Russia, Canada, China, Israel, South Korea, Peru and Mexico. Your Company also won the prestigious "IMC IT Award for Quality" in January 2014. We have won the Global Quality Challenge award of one of the fortune 100 organizations for the ninth time.

Further significant initiatives of the Company towards quality are:

**1) Certifications:**

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

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

Our commitment to ensure a robust information security management system for our customers has been bolstered by these certifications. We have implemented Security Information and Event Management (SIEM) solution as well which will further strengthen the Information security management. During the COVID 19 lockdown and remote working methodology, there has been a palpable increase in the threat to information and data security. Pre-empting such threats we are in the process of further securing our networks from any such unwanted attacks. There is a conscious thrust on risk management as an organization strategy and the risks and mitigation plans are reviewed regularly at all pertinent levels.

A lot of thrust has also been put in enhancing the overall project management skills of our project managers. As you would be aware, your company is a Registered Education Provider (REP) with Project Management Institute (PMI) for imparting Project Management Professional (PMP) trainings. This financial year, 17 project managers were certified as PMP. In the next financial year, the focus on enhancing these skills across the organization will continue.

## GDPR REGULATIONS AND DATA PRIVACY ACT

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

We are also gearing our processes to address all the requirements of the Data Privacy Act of India.

**2) Customer Satisfaction Tracking:**

Your company conducts a customer satisfaction surveys at the end of every major milestone to assess customer's perception of our services. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the company.

We feel proud to share with you that we continue a stellar performance on this count. Your company scored 5.18 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that

79% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely satisfied and Delighted. 41 customers have rated us as delighted on all the parameters. We believe that in the modern environment Customer Experience i.e. the impression that our customers make during their interaction with us, is extremely critical. Customer Experience, apart from the feedback on the hard deliverables, is an integral part of these surveys. We are glad to share that the results are very positive on this front.

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

**3) Continuous Improvement - Lean Six Sigma**

The Company has a mature and well-entrenched continuous improvement program. This program is based on the principles of Lean, Six Sigma and Kaizen. The program focusses on making our processes more efficient, productive, accurate and cost effective. The program continues to deliver significant benefits to the organization with improvements in productivity, efficiency, accuracy and customer satisfaction. Overall 430 Lean Six Sigma projects and 1900 Kaizens were successfully completed since 2007.

The Company has about 25 Six Sigma Green Belt and 47 Six Sigma White Belt certified professionals along with 6 Six Sigma Black Belt and 1 Six Sigma Master Black Belt certified professionals. The Company spent over 2500 person hours of training around continuous improvement in the FY 2019-20.

## HUMAN RESOURCES MANAGEMENT

During the Financial Year under review, Human Resources function continued its global transformation initiatives, in a volatile and complex business environment, to cater to the evolving organizational requirements. HR continued its catalyst role and enabled the process of change over to focus on resource planning for mid and long term. The organization continued its efforts to foster and drive the younger generation towards future leadership. Towards the last quarter, very dynamically the nation came to a standstill due to Covid-19 crisis and HR had to support employees dynamically, as the future of work changed rapidly. The team handled swift transitioning to work from home for employees across the globe to ensure near-BAU status. HR played a crucial role and has been at the forefront since the pandemic outbreak to protect employees' & employer's interests equally, to help transition to a workforce which is socially distanced yet mentally connected.

## TALENT ACQUISITION

The Talent Acquisition Team ensured timely onboarding at the right cost & quality across diverse functions, skills and geographies. The team has been using innovative methods of hiring with an extensive focus towards mapping, networking & social media for niche & leadership hiring. The team has stayed ahead of the curve, with eminent industry practices relevant to resume sourcing, assessments, interviewing, background verification, negotiations and candidate engagement. Innovation has been the guiding principle towards relentless improvement, and the team has employed avant-garde strategies like brand-driven job posts, video interviewing, passive candidate engagement, research, social media usage, industry intelligence and effective referral programs. It has also been a continuous effort to establish Datamatics as an Employer of Choice, through powerful messaging around the key Employee Value Proposition.

## LEARNING & DEVELOPMENT

The Learning and Development team believes in enabling, enriching and co-creating a continuous learning and improvement culture. It progressively strives to build and cultivate employee's career progression. A wide variety of blended learning opportunities are provided through various media like training workshops, online modules, on the floor training, LMS platform, certifications and cross-functional projects globally.

## TALENT MANAGEMENT

At Datamatics, the Talent Management Strategy spreads across all the areas of talent capability. Datamatics is committed to attracting and employing passionate, skilled, and capable individuals who can thrive, through standardized and transparent competency-based people processes. The talent management team, in order to align the people practices with the business needs, has carried out initiatives like an online competency platform launched on e-Dialogue which outlined role-specific critical competencies along with the span of control, required for every role, 'Interviewing skills' workshops for all hiring managers/leaders across Mumbai and Nasik to enable them to conduct Competency Based Interviews, Technical / IT skills updation exercise for all software employees, creation of new and engaging Datamatics Website page for HR showcasing the Employee Value Proposition & best practices. After detailed study & analysis of leading B-schools in India, Datamatics partnered with NMIMS and KJ Somaiya for a sponsored part-time MBA program. The young & dynamic participants of Graduate Executive Program (GEP) take part in this program as they continue their journey with Datamatics.

## CORPORATE HR

Human resources oversee the most important component of a successful business – a productive, thriving workforce. The fundamental belief is people are assets, whose work is directly related to current and future business success. Datamatics Global Services Limited was declared the winner of 1st Prize by the District Skill Development, Employment and Entrepreneurship Guidance Centre, Nasik, Government of Maharashtra on 15th July 2019 (World Youth Skill Development Day).

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

- **Datamatics Diversity Charter (DDC):** DDC was launched on the occasion of International Women's Day as our pledge to encourage Diversity further. At Datamatics, the concept of Diversity is extended not only to gender but also Generation, Qualification, Culture, Experience, Ability, Thoughts, and Opinions. The Charter will bring in more focus on a) Equity in the Workplace, b) Affirmative Actions, and c) Inclusive work Environment, all based on merit. The efforts got recognized by UNGC formally, when we earned appreciation for being amongst Top 10 private organisations to promote diversity at work.

- **Welcome back:** post-maternity second innings', formally welcoming a female employee back into the workforce post her Maternity Leave, is the first new initiative as part of the Charter.

- **Climate Survey:** An organization wide Climate Survey was launched with a focus on a comprehensive understanding of areas like Company practices, Work engagement, Total rewards, Opportunities, People & Culture etc. The analysis is a result of collaborative expertise from various teams like AICS, TruBot, R&A and ISG.

- **Apprentice Program:** In an endeavour to promote apprenticeship in India Datamatics is encouraging the hiring of apprentices under National Apprenticeship Promotion Scheme (NAPS). Company is organizing NAPS training which consists of basic training and on-the-job-training (OJT)/ practical training at Workplace. The organization is also participating in the state-level apprenticeship program in Maharashtra, for the training of new job seekers. Employment Promotion Programme (EPP). It is a scheme to provide on-job training to Job Seekers for acquisition and up-gradation of skills. As of 31 March 2020, Company had trained 1348 apprentices across various locations.

- **Work From Home (WFH) Policy:** Datamatics recognizes that WFH or remote working is suitable for employees in terms of cutting commuting time, adjusting to urban lifestyle, reducing stress and improving work-life balance. WFH was introduced as a part of our commitment towards introducing Progressive HR policies for the benefit of the employees. This policy laid down the foundation, on which Covid-19 induced crisis could be tackled relatively smoothly.

- **Retirement Planning:** National Pension System (NPS) option was introduced last year, for employees to plan their retirement benefit. NPS is an important milestone in the development of a sustainable and efficient voluntary defined contribution pension system in India to provide old age security.

**US and Overseas HR Operations**

US has been a very strategic and critical geography for us, contributing to significant chunk of the business. Throughout the year, Team HR in USA took robust strides to ensure that core Datamatics fabric remained consistent in the workforce.

With excellent execution of end-to-end employee lifecycle processes from hire to retire, they got recognized and got awarded with "Stevie Award' in a prestigious ceremony last year.

Though different states within US had different regulatory guidelines, that were extremely dynamic in nature, the team handled the transition very well, of enabling employees to work from home and took care of keeping the employees connected to the organization. With all Overseas employees, HR business partners maintained close collaboration and responded promptly for all their needs.

**Philippines Human Resource Operations**

After the strategic acquisition of RJ Globus, Philippines by Datamatics, significant efforts have been undertaken, to integrate the operations across entities. The entire Philippines HR team worked with utmost efficiency, as a well-oiled machinery to manage employee lifecycle operations and corporate HR functions.

While acquiring Talent, the team stayed ahead of the curve throughout the year. The Talent Acquisition team was able to pull off business demands of bulk hiring with almost 90% target achievement, for several campaigns with minimal fallouts. The right talent is hired for the organization, with rigorous evaluations and engaging on-boarding process. With Employee Engagement being a key focus area, the team managed to have a motivated employee base with an energetic new hire orientation program to quickly align the newcomers with the organization. Employee communication forum led by HR eg HR Talk, HR Counselling and Focus Group Discussions, guided the employees to course-correct, by identifying their work problems, causes and solutions. The most awaited event of the year was the Annual Recognition Party, an event that had a fine balance of recognizing and rewarding exceptional performance, as well as in-house talent entertaining the audience throughout. Last year, RJ Globus joined Call Center Association of Philippines also known as CCAP, and now the team benefits from several activities including seminars and other gatherings. As a Socially Responsible Corporate, RJ Globus was always there to help those in need. From the victims of typhoons to the evacuees of Taal, the employees led the way in helping the crisis-hit regions, in their own small way. The annual outreach programs touched the lives of many in the society very positively.

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

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

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company is actively involved in ensuring that the employees/resources are aware of the provisions of the POSH Act and rights thereunder.

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

The Company has also adopted Anti-Sexual Harassment Policy, in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and is fully committed to uphold and maintain the dignity of every woman executive working in the Company.

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

Number of complaints filed during the financial year: 0

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

## AWARDS & ACHIEVEMENTS

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

**Datamatics Global Services Limited**

- Datamatics recognised for being among the Top Companies in the Private sector at the United Nations Global Compact Network India (UN GCNI) Innovative Practices Award "Women at Work" – March 2020.

- American Business Awards® awarded Gold Stevie Award 2019 to TruBot.

- International Association of Outsourcing Professionals (IAOP) featured Datamatics in the 'IAOP global outsourcing 100 list 2020'.

- IBS Intelligence recognised TruBot with Global FinTech Innovation Awards 2019.

- MRSI Golden Key Award acknowledged Datamatics for 'Best business impact through analytics'.
- NASSCOM awarded Customer Service Excellence Award 2019 to Datamatics.
- Datamatics won Rail Analysis India Award 2020 for TruFare, its Automated Fare Collection (AFC) product.

**Lumina Datamatics**

- Acknowledged by the Indo-American Chamber of Commerce at 15th Indo-American Corporate Excellence Awards 2019 as Runners-up for the 'Excellence in Service Award'.
- World HRD Congress recognised Lumina Datamatics for 'Best Mature Workforce Practices' at the India Human Capital Summit & Awards 2019.
- Recognised by World HRD Congress as 'National Best Employer Brands 2019' at the 14th Employer Branding Awards.
- Acknowledged as 'Dream company to work for in ePublishing and eRetail' awards category at the 'Asia Pacific HRM Congress Awards 2019'.

**Cignex Datamatics Technologies**

- Acknowledged by Great Place to Work® Institute, India as 'Great Place to Work' for the 3rd consecutive year in a row in the category of 'Small & Mid-Sized Organizations' for the year 2019-20
- Rated among Top 10 Companies in India as 'Safe Places to Work' in a survey by Rainmaker.

## PARTICULARS OF EMPLOYEES

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

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

## DATAMATICS' INSIDER TRADING POLICY FOR REGULATION OF TRADING BY INSIDERS

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

The Insider Trading Policy for Regulation of Trading by Insiders is available on our website https://www.datamatics.com/hubfs/Investors/Corporate%20Governance/Insider-Trading-Policy-1.pdf

## DIRECTORS' RESPONSIBILITY STATEMENT

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

(i) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

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

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

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

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

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

## SECRETARIAL STANDARDS

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

**Secretarial Auditor**

The Company had appointed Mr. Tushar Shridharani, Practicing Company Secretary, to conduct the secretarial audit for the financial year 2019-2020. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed as **"Annexure – B"** to this Report.

As per the requirements of the Listing Regulations, Mr. Tushar Shridharani, Practicing Company Secretary, have undertaken secretarial audit of Lumina Datamatics Limited, material subsidiary of the Company for the FY 2019-20. The Audit Report confirms that Lumina Datamatics Limited have complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

## INFORMATION ON AUDITORS' OBSERVATIONS

1) **Statutory Auditors:**

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

2) **Secretarial Auditor:**

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

## STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, M/s. M. L. Bhuwania and Co. LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting, subject to ratification by Shareholders at each AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018.

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

## MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013

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

## DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

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

## CORPORATE GOVERNANCE

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

## MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

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

## MANAGEMENT DISCUSSION AND ANALYSIS

The Management's Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report.

## COMPOSITION OF THE COMMITTEES OF THE BOARD

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

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

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

## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

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

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

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

## POLICIES

The SEBI Listing Regulation mandated the formulation of certain policies for all Listed Companies. In compliance with the above requirement, all our policies are available on our website (*http://www.datamatics.com/investors/corporate-governance)*. The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

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

| Name of the Policy | Brief Description | Web Link |
|---|---|---|
| Whistleblower/Vigil Mechanism | The Company has formulated and adopted a Whistleblower Policy/Vigil Mechanism for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct and ethics. | *https://www.datamatics.com/about-us/investor-relations/corporate-governance* |
| Corporate Social Responsibility (CSR) Policy | The Policy outlines the Company's strategy for bringing about a transformation in the quality of life of people in the society through social upliftment programs. The CSR vision of our Company is "Employability & Environment". | *https://www.datamatics.com/about-us/corporate-social-responsibility-datamatics-global-services-limited* |

| Name of the Policy | Brief Description | Web Link |
|---|---|---|
| Policy on Material Subsidiaries | The Policy is framed to determine Material subsidiaries of the Company and to provide governance framework for such subsidiaries of the Company. | *https://www.datamatics.com/about-us/investor-relations/corporate-governance* |
| 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. | *https://www.datamatics.com/about-us/investor-relations/corporate-governance* |
| Insider Trading Policy | The Policy provides the framework in dealing with the securities of the Company. | *https://www.datamatics.com/about-us/investor-relations/corporate-governance* |
| 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. | *https://www.datamatics.com/about-us/investor-relations/corporate-governance* |
| Document Retention and Archival Policy | The Policy is framed to outline the guidelines for retention and archival for corporate records / documents of the Company. | *https://www.datamatics.com/about-us/investor-relations/corporate-governance* |

## INTERNAL FINANCIAL CONTROLS

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

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

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

## RISK MANAGEMENT POLICY

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

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

## CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the financial year 2019-20 are annexed as **"Annexure - C"** to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

## SCHEME OF ARRANGEMENT

The Board of Directors at their meeting held on 13th November, 2019 had approved the Scheme of Amalgamation for the merger by way of absorption of Datamatics Digital Limited ("the Transferor Company" or "DDL") with and into Datamatics Global Services Limited ("the Transferee Company" or "DGSL"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder. The rationale for the Scheme of Amalgamation was to integrate business carried on by both the companies, economies of scale due to synergies of operations, effective coordination and better control over the activities, rationalization and standardization of business processes, consolidation and simplification of DGSL group structure and reduction of administrative costs at DGSL group level etc. Since the entire issued, subscribed and paid-up share capital of DDL is directly or indirectly held by the Company, no shares are required to be issued by the Company to the shareholders of DDL.

In accordance with the directions issued by the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its Order dated 20th February, 2020, meeting of equity shareholders and unsecured creditors of DDL and DGSL has been dispensed with. Further, meeting of secured creditors is dispensed in the light of consent affidavit dated 10th January, 2020 given by Secured Creditors of DGSL.

DGSL and DDL have complied with all the requisite filings as per directions of the National Company Law Tribunal, Mumbai Bench ("NCLT"). The petition filed by DGSL and DDL was admitted by the NCLT vide its order dated 31 July 2020 and the final hearing for the same will be scheduled shortly, during which the NCLT Bench Members pronounced that the disposal of petition is reserved for final order.

## SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

## ANNUAL RETURN

Extract of the Annual Return for the Financial Year ended on March 31, 2020 as required by Section 92(3) of the Act and Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is annexed as **"Annexure - D"** to this Report and can be accessed at www.datamatics.com under the 'Investor' Section.

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

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

**A. CONSERVATION OF ENERGY:**

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

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

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

**B. TECHNOLOGY ABSORPTION:**

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

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

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Foreign Exchange Earned in terms of Actual Inflows : ₹ 2,469.83 million.

Foreign Exchange Outgo in terms of Actual Outflows : ₹ 212.55 million.

**BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report and is annexed as "**Annexure – E"** to this Report .

**ACKNOWLEDGEMENTS**

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

For and on behalf of the Board

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

Place : Mumbai
Date : September 10, 2020

# Annexure - A

TO THE BOARD'S REPORT

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

(I) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2019-20:

| Sr. No. | Particulars | Ratio to Median remuneration |
|---|---|---|
| **Executive Directors** | | |
| 1. | Dr. Lalit S. Kanodia | 70.97 |
| 2. | Mr. Rahul L. Kanodia | 78.64 |
| **Non-Executive Directors** | | |
| 3. | Mr. Sameer L. Kanodia | - |
| 4. | Mr. R. K. Saraswat | 1.11 |
| 5. | Mr. Shahzaad S. Dalal* | - |
| 6. | Mr. Dilip D. Dandekar | 0.95 |
| 7. | Mrs. Asha L. Kanodia** | 0.72 |
| 8. | Mr. Vinay M. Aggarwal | 1.11 |
| 9. | Mrs. Mona Bhide | 0.18 |

(II) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial officer and Company Secretary in the financial year 2019- 20:

| Sr. No. | Particulars | % Increase in remuneration in the FY |
|---|---|---|
| 1. | Dr. Lalit S. Kanodia | 23.98 |
| 2. | Mr. Rahul L. Kanodia | 9.45 |
| 3. | Mr. Sameer L. Kanodia | - |
| 4. | Mr. R. K. Saraswat | -52.22 |
| 5. | Mr. Shahzaad S. Dalal* | -100.00 |
| 6. | Mr. Dilip D. Dandekar | -43.94 |
| 7. | Mrs. Asha L. Kanodia* * | -64.56 |
| 8. | Mr. Vinay Agarwal | -52.22 |
| 9. | Mrs. Mona Bhide | NA |
| 10. | Ms. Divya Kumat, Company Secretary | -5.82 |
| 11. | Mr. Sandeep Mantri, Chief Financial Officer | -1.86 |

* Mr. Shahzaad S. Dalal, term as an Independent Director got completed on 22nd September, 2019.

**Mrs. Asha L. Kanodia resigned with effect from 02nd March, 2020. However she was again appointed as Non Executive director w.e.f September 10, 2020 and her appointment is due for regularization at ensuing Annual General Meeting of the Company.

(III) The percentage increase in the median remuneration of employees in the financial year: 14.35%

(IV) The number of permanent employees on the rolls of Company: 5,545 Employees

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

On an average, employees received an annual increase of 13% in India. The individual increments varied from 5% to 15%, based on individual performance. Employees outside India received wage increase varying from 1% to 3%. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance, the performance pay is also linked to organization performance, apart from an individual's performance.

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

| | |
|---|---|
| **Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2020 (₹ in Million)** | **46.67** |
| Revenue (₹ in Million) | 4,158.35 |
| Remuneration of KMPs (as % of Revenue) | 1% |
| Profit before tax (PBT) ) (₹ in Million) | 419.03 |
| Remuneration of KMP (As % of PBT) | 11% |

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

| Particulars | March 31, 2020 | March 31, 2019 | % Change |
|---|---|---|---|
| Market Capitalization (₹ in Million) | 2,419.87 | 6,071.78 | -60.1% |
| Price Earnings Ratio | 3.79 | 8.22 | -53.9% |

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

| Particulars | March 31, 2020 | IPO date (May 07, 2004) | % Change |
|---|---|---|---|
| Market Price (BSE) | 40.75 | 110 | -62.95% |
| Market Price (NSE) | 41.05 | 110 | -62.68% |

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

The average annual increase was around 13%

Increase in the managerial remuneration for the year was 4%

# Annexure - A *(Contd.)*
TO THE BOARD'S REPORT

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

| Particulars | Dr. Lalit S. Kanodia | Mr. Rahul L. Kanodia | Mr. Sandeep Mantri | Ms. Divya Kumat |
|---|---|---|---|---|
| Remuneration in FY 2020 (₹ in Million) | 13.81 | 15.30 | 6.59 | 8.02 |
| Revenue (₹ in Million) | | 4,158.35 | | |
| Remuneration as % of revenue | 0.33% | 0.37% | 0.16% | 0.19% |
| Profit before tax (PBT) (₹ in Million) | | 419.03 | | |
| Remuneration of KMP (As % of PBT) | 3.29% | 3.65% | 1.57% | 1.91% |

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

The key parameters for the variable component of remuneration to the Directors are approved by the Board as per suggestions of the Nomination and Remuneration Committee.

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

b) **Commission to Non – Executive Directors:** The Members have, at the AGM of the Company held on August 13, 2019 approved the payment of commission upto the limit of 0.25% of its net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

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

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

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

# Annexure - B

TO THE BOARD'S REPORT

**TUSHAR SHRIDHARANI**

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

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

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

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

(ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

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

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

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

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

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

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

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

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

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

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

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

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

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

I further report that:

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

**(Tushar Shridharani)**
Practicing Company Secretary
FCS 2690 / COP 2190

Place: Mumbai
Date: June 1, 2020

# Annexure - C

TO THE BOARD'S REPORT

## CORPORATE SOCIAL RESPONSIBILITY

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

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

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

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

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

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

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

2. The Composition of the CSR Committee:

   The composition of the CSR Committee as on March 31, 2020 is as follows:

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

3. **Average net profit of the company for last three financial years:** ₹ 368.86 million

4. **Prescribed CSR Expenditure (2% of this amount as mentioned in Sr. No. 3 above):** ₹ 7.38 million.

5. Details of CSR spent during the financial year:

   (a) Total amount spent for the financial year: ₹2.91 million.

   (b) Amount unspent: ₹4.47 million.

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

| 1 | 2 | 3 | 4 | 5 | 6 | | 7 | 8 |
|---|---|---|---|---|---|---|---|---|
| **Sr. No** | **CSR project or activity identified** | **Sector in which The Project is covered** | **Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken** | **Amount outlay (budget) project or programs wise** | **Amount spent on the projects or programs** | | **Cumulative expenditure upto to the reporting period** | **Amount spent : Direct or through implementing agency*** |
| | | | | | Direct expenditure | Overheads | | |
| 1. | Training to Students | Promoting education | Maharashtra | ₹ 2.91 million | ₹ 2.91 million | - | ₹ 2.91 million | Direct |
| | TOTAL | | | ₹ 2.91 million | ₹ 2.91 million | | | |

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

# Annexure - C *(Contd.)*
TO THE BOARD'S REPORT

Datamatics considers social responsibility as an integral part of its business activities and endeavors to utilize allocable CSR budget for the benefit of society. Over the years, the Company has continuously worked towards improving quality of life of the Society in its operational areas.

However, the global economic competition has induced the corporates to become cost conscious. During the year under review, the margins of the Company have been reduced on account of increase in various costs. The Company's growth is dependent on the Company's capability to use the Company's resources in a channelized manner. Also the global economic recession due to COVID – 19 pandemic has resulted into loss of business. Therefore, considering the financial condition and goals of the Company, the Board of Directors have thought it prudent to conserve the resources of the Company so that they can be deployed for various future growth initiatives and expansion plans by targeting new customer segments and markets across different geographies.

2. CSR Committee Responsibility Statement:

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

For and on behalf of the Board

**Rahul L. Kanodia**
Chairman of CSR Committee

**R. K. Saraswat**
Director

Place : Mumbai
Date : September 10, 2020

# Annexure - D
TO THE BOARD'S REPORT

FORM NO. MGT - 9

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended March 31, 2020

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

## I. REGISTRATION AND OTHER DETAILS

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

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares Held as on March 31, 2020 | Applicable Section |
|---|---|---|---|---|---|
| 1 | **Delta Infosolutions Private Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093. | U72300MH1992PTC064911 | Holding | 54.45 | 2(46) |
| 2 | **Cybercom Datamatics Information Solutions Limited** Unit no 105, First Floor, Multistoried Building, Seepz - Sez Andheri (E), Mumbai 400096. | U72900MH2000PLC123469 | Subsidiary | 50.50 | 2(87) |
| 3 | **Lumina Datamatics Limited** Unit No. 117-120, SDF-IV, SEEPZ-SEZ, Andheri (East), Mumbai - 400096 | U22220MH2007PLC322853 | Subsidiary | 100.00 | 2(87) |
| 4 | **Datamatics Digital Limited*** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093. | U72200MH2005PLC309621 | Subsidiary | 100.00 | 2(87) |

# Annexure - D *(Contd.)*

TO THE BOARD'S REPORT

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares Held as on March 31, 2020 | Applicable Section |
|---|---|---|---|---|---|
| 5 | **CIGNEX Datamatics Technologies Limited** President Plaza, Opp. Muktidham Derasar, Thaltej Cross Road, Sarkhej Gandhinagar Highway Ahmedabad Gujarat - 380054 | U72200GJ2006PLC048349 | Subsidiary | 62.51 | 2(87) |
| 6 | **LDR eRetail Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai 400 093. | U74120MH2015PLC322053 | Subsidiary | 100.00 | 2(87) |
| 7 | **LD Publishing and eRetail Limited** 12th Floor, Phase II, Crest, International Tech Park, Taramani CSIR Road, Chennai - 600113. | U74900TN2015PLC102688 | Subsidiary | 100.00 | 2(87) |
| 8 | **Datamatics Staffing Services Limited** Eucharistic Congress Building No III 5 Convent Street Colaba Mumbai - 400039 | U74140MH2003PLC140165 | Subsidiary | 51.00 | 2(87) |
| 9 | **Datamatics Robotics Software Limited** Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093. | U74999MH2018FLC307700 | Subsidiary | 100.00 | 2(87) |
| 10 | **RJ Globus Solutions Private Limited** 103, Balaji Residency, Mamletdarwadi Liberty Garden, Malad West, Mumbai- 400064 | U74999MH2018FTC306956 | Subsidiary | 87.50 | 2(87) |
| 11 | **Datamatics Global Services, Inc.** Suite 400, 31572 Industrial Road, Livonia, MI-48150. | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 12 | **Datamatics Infotech Limited** 1 Doughty Street, London WC1N2PH. | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 13 | **Techjini Inc**** Suite #390, 510 Thornall Street, Edison,NJ – 08837 | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 14 | **Datamatics Global Technologies GmbH$** Gerhart-Hauptmann-Strassee 20, 64347 Griesheim. | Not Applicable | Subsidiary | - | 2(87) |
| 15 | **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) |
| 16 | **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) |
| 17 | **Datamatics Global Technologies AG** MSG Rechtsanwalte & Notare, Vortstadt 32, 6304, Zug, Switzerland. | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 18 | **Datamatics Global Services FZ-LLC** 3201, 32nd Floor, Al Shatha Tower, Dubai, United Arab Emirates. | Not Applicable | Subsidiary | 100.00 | 2(87) |

# Annexure - D *(Contd.)*

TO THE BOARD'S REPORT

| Sr. No. | Name and Address of the Company | CIN/GLN | Holding/Subsidiary/ Associate | % of Shares Held as on March 31, 2020 | Applicable Section |
|---|---|---|---|---|---|
| 19 | **Datamatics Global Services Corporation.** Unit 1807, Cityland Codominium, 10, Tower, H.V Dela Costa ST. Corner, Ayala Ave, Makati City. | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 20 | **Datamatics Robotics Software Inc** Suite 400, 31572 Industrial Road, Livonia, MI-48150. | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 21 | **Lumina Datamatics, Inc.** 600 Cordwainer Drive, Unit 103. Norwell MA 02061 | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 22 | **RJ Globus, Inc** 1209, Orange Street, City of Wilmington, County of New Castle 19801 | Not Applicable | Subsidiary | 87.50 | 2(87) |
| 23 | **RJ Globus Solutions, Inc** 3rd Floor, Tower 1, Rockwell Business Center, Ortigas Avenue, Philippines. | Not Applicable | Subsidiary | 87.50 | 2(87) |
| 24 | **Lumina Datamatics GmbH** Im Leuschnerpark 4, 64347 Griesheim. | Not Applicable | Subsidiary | 100.00 | 2(87) |
| 25 | **Lumina Datamatics Assessment & Analytics LLC** 600 Cordwainer Dr., Unit 103, Norwell, MA 02061 | Not Applicable | Subsidiary | 65.00 | 2(87) |
| 26 | **CIGNEX Datamatics Corporation** Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands | Not Applicable | Subsidiary | 62.51 | 2(87) |
| 27 | **CIGNEX Datamatics, Inc.** 31572 Industrial RD, Suite 400, Livonia MI 48150. | Not Applicable | Subsidiary | 62.51 | 2(87) |
| 28 | **Cignex Datamatics UK Limited^** 153 Milton Keynes Business Centre Foxhunter Drive Linford Wood Milton Keynes Buckinghamshire MK14 6GD. | Not Applicable | Subsidiary | - | 2(87) |
| 29 | **CIGNEX Datamatics GmbH** Fuhrmannstrasse 8, 64289 Darmstadt, Germany. | Not Applicable | Subsidiary | 62.51 | 2(87) |
| 30 | **CIGNEX Datamatics Pte. Limited** 4 Shenton Way, #08-03 SGX Centre II, Singapore 068807. | Not Applicable | Subsidiary | 62.51 | 2(87) |
| 31 | **Duo Consulting Inc** 641 West Lake Street, Suite 301, Chicago IL 60601. | Not Applicable | Subsidiary | 41.26 | 2(87) |
| 32 | **Datamatics Global Services BV^^** KEIZERSGRACHT 391 A, 1016 EJ, Amsterdam The Netherlands | Not Applicable | Subsidiary | 100.00 | 2(87) |

*Acquired 18.90% shares on May 13, 2019

**Merged with and into Datamatics Global Services, Inc. (US) w.e.f. April 1, 2020

$ Liquidated w.e.f. June 13, 2019

^Dissolved as on March 31, 2020

^^Acquired on August 29, 2019

# Annexure - D *(Contd.)*

TO THE BOARD'S REPORT

## IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

### i) Category-wise Shareholding

| Category of Shareholders | No. of Shares held at the beginning of the year (As on April 1, 2019) | | | | No. of Shares held at the end of the year (As on March 31, 2020) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. PROMOTERS** | | | | | | | | | |
| **1) Indian** | | | | | | | | | |
| a) Individual/HUF | 11,484,689 | 0 | 11,484,689 | 19.48 | 11,622,078 | 0 | 11,622,078 | 19.72 | 0.23 |
| b) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) State Govt (s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Bodies Corp. | 31,813,742 | 0 | 31,813,742 | 53.97 | 32,098,742 | 0 | 32,098,742 | 54.45 | 0.48 |
| e) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| f) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub–total (A)(1)** | **43,298,431** | **0** | **43,298,431** | **73.45** | **43,720,820** | **0** | **43,720,820** | **74.17** | **0.72** |
| **2) Foreign** | | | | | | | | | |
| a) NRIs- Individual | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| b) Other Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| c) Bodies Corp. | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| d) Banks / FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| e) Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| F) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Sub –total (A)(2)** | **0** | **0** | **0** | **0.00** | **0** | **0** | **0** | **0.00** | **0.00** |
| **Total Promoter Shareholding (A) = (A)(1)+(A)(2)** | **43,298,431** | **0** | **43,298,431** | **73.45** | **43,720,820** | **0** | **43,720,820** | **74.17** | **0.72** |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| (i) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (ii) Banks / FI | 79,622 | 0 | 79,622 | 0.14 | 56,315 | 0 | 56,315 | 0.10 | -0.04 |
| (iii) Central Govt | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (iv) State Govt(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (v) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (vi) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (vii) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (viii) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (ix) Qualified Foreign Investor | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (x) Others-Foreign Portfolio Investor | 142,100 | 0 | 142,100 | 0.24 | 140,700 | 0 | 140,700 | 0.24 | -0.00 |
| **Sub-total (B)(1)** | **221,722** | **0** | **221,722** | **0.38** | **197,015** | **0** | **197,015** | **0.33** | **-0.04** |
| **2. Non-Institutions** | | | | | | | | | |
| **a) Bodies Corp.** | | | | | | | | | |
| i) Indian | 2,101,682 | 500 | 2,102,182 | 3.57 | 1,462,339 | 500 | 1,462,839 | 2.48 | -1.08 |
| ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **b) Individuals** | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| Individuals - shareholders holding nominal share capital up to ₹ 1 Lakh | 7,715,131 | 92,357 | 7,807,488 | 13.24 | 7,548,677 | 79688 | 7,628,365 | 12.94 | -0.30 |
| Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh | 4,828,595 | 0 | 4,828,595 | 8.19 | 5,271,943 | 0 | 5,271,943 | 8.94 | 0.75 |

# Annexure - D *(Contd.)*
TO THE BOARD'S REPORT

| Category of Shareholders | No. of Shares held at the beginning of the year (As on April 1, 2019) | | | | No. of Shares held at the end of the year (As on March 31, 2020) | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **c) Others, specify** | | | | | | | | | |
| NRIs (Rep. & Non-Rep.) | 626,640 | 0 | 626,640 | 1.06 | 590,830 | 0 | 590,830 | 1.00 | 0.27 |
| IEPF | 46,279 | 0 | 46,279 | 0.08 | 59,525 | 0 | 59,525 | 0.10 | 0.02 |
| Foreign National | 18,000 | 0 | 18,000 | 0.03 | 18,000 | 0 | 18,000 | 0.03 | 0.00 |
| **Sub-total (B)(2)** | **15,336,327** | **92,857** | **15,429,184** | **26.17** | **14,951,314** | **80,188** | **15,031,502** | **25.50** | **-0.34** |
| **Total Public Shareholding (B) = (B)(1) + (B)(2)** | **15,558,049** | **92,857** | **15,650,906** | **26.55** | **15,148,329** | **80,188** | **15,228,517** | **25.83** | **-0.38** |
| **C. Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| **Grand Total (A+B+C)** | **58,856,480** | **92,857** | **58,949,337** | **100.00** | **58,869,149** | **80,188** | **58,949,337** | **100.00** | **0.00** |

**ii) Shareholding of Promoters**

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year (As on April 1, 2019) | | | Shareholding at the end of the year (As on March 31, 2020) | | | % Change in Shareholding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the Company | % of shares Pledged/ encumbered to total shares | No. of Shares | % of total Shares of the Company | % of shares Pledged/ encumbered to total shares | |
| 1 | Delta Infosolutions Pvt. Ltd. | 31,813,742 | 53.97 | 0.00 | 32,098,742 | 54.45 | 0.00 | 0.48 |
| 2 | Dr. Lalit S. Kanodia* | 3,477,995 | 5.90 | 0.00 | 3,615,384 | 6.13 | 0.00 | 0.23 |
| 3 | Mrs. Asha L. Kanodia | 3,305,258 | 5.61 | 0.00 | 3,305,258 | 5.61 | 0.00 | 0.00 |
| 4 | Mr. Rahul L. Kanodia | 209 | 0.00 | 0.00 | 209 | - | 0.00 | 0.00 |
| 5 | Mr. Sameer L. Kanodia | 1,472,858 | 2.50 | 0.00 | 1,472,858 | 2.50 | 0.00 | 0.00 |
| 6 | Mrs. Priyadarshini R. Kanodia | 1,473,852 | 2.50 | 0.00 | 1,473,852 | 2.50 | 0.00 | 0.00 |
| 7 | Mrs. Aneesha A. Dalmia | 1,352,874 | 2.29 | 0.00 | 1,352,874 | 2.30 | 0.00 | 0.00 |
| 8 | Mrs. Amrita V. Bhogilal | 319,143 | 0.54 | 0.00 | 319,143 | 0.54 | 0.00 | 0.00 |
| 9 | Mr. Yogendra S. Kanodia | 6,500 | 0.01 | 0.00 | 6,500 | 0.01 | 0.00 | 0.00 |
| 10 | Yogendra Kanodia HUF | 1,700 | 0.00 | 0.00 | 1,700 | 0.00 | 0.00 | 0.00 |
| 11 | Smt. Chandravati S. Kanodia | 36 | 0.00 | 0.00 | 36 | 0.00 | 0.00 | 0.00 |
| 12 | Dr. Lalit S. Kanodia HUF -2 | 74,264 | 0.13 | 0.00 | 74,264 | 0.13 | 0.00 | 0.00 |
| **Total** | | **43,298,431** | **73.45** | **0.00** | **43,720,820** | **74.16** | **0.00** | **0.71** |

* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2020. However, Dr. Lalit S. Kanodia (Promoter) had purchased 38,033 & 34,848 shares of the Company on March 30, 2020 and March 31, 2020 respectively totalling to 72,881 shares (0.13%) which has not been captured in the BENPOS data.

# Annexure - D *(Contd.)*

TO THE BOARD'S REPORT

**iii) Change in Promoters' Shareholding**

| Sr. No. | Name of Promoters | Date | Shareholding at the beginning of the year (As on April 1, 2019) | | Cumulative Shareholding during the year (As on March 31, 2020) | |
|---|---|---|---|---|---|---|
| | | | No. of Shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | **Delta Infosolutions Pvt. Ltd.** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 31,813,742 | 53.97 | 31,813,742 | 53.97 |
| | Increase/decrease in Shareholding | 14-Feb-19 | 241,017 | 0.41 | 32,054,759 | 54.38 |
| | Increase/decrease in Shareholding | 21-Feb-19 | 43,983 | 0.08 | 32,098,742 | 54.45 |
| | At the end of the year | 31-Mar-20 | | | 32,098,742 | 54.45 |
| 2 | **Dr. Lalit S. Kanodia *** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 3,477,995 | 5.90 | 3,477,995 | 5.90 |
| | Increase/decrease in Shareholding | 27-Mar-20 | 32,994 | 0.06 | 3,510,989 | 5.96 |
| | Increase/decrease in Shareholding | 31-Mar-20 | 104,395 | 0.16 | 3,615,384 | 6.13 |
| | At the end of the year | 31-Mar-20 | | | 3,615,384 | 6.13 |
| 3 | **Mrs. Asha L. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 3,305,258 | 5.61 | 3,305,258 | 5.61 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 3,305,258 | 5.61 |
| 4 | **Mr. Rahul L. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 209 | 0.00 | 209 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 209 | 0.00 |
| 5 | **Mr. Sameer L. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 1,472,858 | 2.50 | 1,472,858 | 2.50 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 1,472,858 | 2.50 |
| 6 | **Mrs. Priyadarshini R. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 1,473,852 | 2.50 | 1,473,852 | 2.50 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 1,473,852 | 2.50 |
| 7 | **Mrs. Aneesha A. Dalmia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 1,352,874 | 2.30 | 1,352,874 | 2.30 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 1,352,874 | 2.30 |
| 8 | **Mrs. Amrita V. Bhogilal** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 319,143 | 0.54 | 319,143 | 0.54 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 319,143 | 0.54 |
| 9 | **Mr. Yogendra S. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 6,500 | 0.01 | 6,500 | 0.01 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 6,500 | 0.01 |
| 10 | **Yogendra Kanodia HUF** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 1,700 | 0.00 | 1,700 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 1,700 | 0.00 |
| 11 | **Smt. Chandravati S. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 36 | 0.00 | 36 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 36 | 0.00 |
| 12 | **Dr. Lalit S. Kanodia HUF - 2** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 74,264 | 0.13 | 74,264 | 0.13 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 74,264 | 0.13 |

* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2020. However, Dr. Lalit S. Kanodia (Promoter) had purchased 38,033 & 34,848 shares of the Company on March 30, 2020 and March 31, 2020 respectively totalling to 72,881 shares (0.13%) which has not been captured in the BENPOS data.

# Annexure - D *(Contd.)*
TO THE BOARD'S REPORT

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

| Sr. No. | Name of Shareholder | Date | Shareholding at the beginning of the year (As on April 01, 2019) | | Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020) | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | **Mr. Shaunak Jagdish Shah** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 999,149 | 1.695 | 999,149 | 1.695 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 999,149 | 1.695 |
| 2 | **Mr. Jagdish Amritlal Shah** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 748,395 | 1.27 | 748,395 | 1.27 |
| | Increase/decrease in Shareholding | 26-Jul-19 | 14,173 | 0.02 | 762,568 | 1.29 |
| | Increase/decrease in Shareholding | 2-Aug-19 | 1,314 | 0.00 | 763,882 | 1.30 |
| | Increase/decrease in Shareholding | 6-Aug-19 | 3,635 | 0.01 | 767,517 | 1.30 |
| | Increase/decrease in Shareholding | 30-Aug-19 | 5,775 | 0.01 | 773,292 | 1.31 |
| | Increase/decrease in Shareholding | 28-Feb-20 | 597 | 0.00 | 773,889 | 1.31 |
| | Increase/decrease in Shareholding | 6-Mar-20 | 8,403 | 0.01 | 782,292 | 1.33 |
| | Increase/decrease in Shareholding | 13-Mar-20 | 11,057 | 0.02 | 793,349 | 1.35 |
| | Increase/decrease in Shareholding | 20-Mar-20 | 6,651 | 0.01 | 800,000 | 1.36 |
| | At the end of the year | 31-Mar-20 | | | 800,000 | 1.36 |
| 3 | **Jamson Securities Pvt Ltd** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 580,660 | 0.99 | 580,660 | 0.99 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 580,660 | 0.985 |
| 4 | **Mr. Chetan Jayantilal Shah** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 550,000 | 0.93 | 550,000 | 0.93 |
| | Increase/Decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 550,000 | 0.93 |
| 5 | **Ms. Jagruti Shaunak Shah** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 488,098 | 0.83 | 488,098 | 0.83 |
| | Increase/decrease in Shareholding | 30-Aug-19 | 7,099 | 0.01 | 495,197 | 0.84 |
| | Increase/decrease in Shareholding | 7-Feb-20 | 4,803 | 0.01 | 500,000 | 0.85 |
| | At the end of the year | 31-Mar-20 | | | 500,000 | 0.85 |
| 6 | **Mr. Kamlesh B Shah** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 600 | 0.001 | 600 | 0.001 |
| | Increase/Decrease in Shareholding | 9-Aug-19 | 324000 | 0.550 | 324600 | 0.551 |
| | Increase/Decrease in Shareholding | 13-Sep-19 | -51000 | -0.087 | 273600 | 0.464 |
| | At the end of the year | 31-Mar-20 | | | 273600 | 0.464 |
| 7 | **Mr. Arun Nahar** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 130,343 | 0.221 | 130,343 | 0.221 |
| | Increase/Decrease in Shareholding | 17-May-19 | 85,000 | 0.144 | 215,343 | 0.365 |
| | Increase/Decrease in Shareholding | 13-Dec-19 | 16,953 | 0.029 | 232,296 | 0.394 |
| | Increase/Decrease in Shareholding | 31-Mar-20 | 974 | 0.002 | 233,270 | 0.396 |
| | At the end of the year | 31-Mar-20 | | | 233,270 | 0.396 |
| 8 | **Mr. B N Nagamani** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 200,000 | 0.339 | 200,000 | 0.339 |
| | Increase/Decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | 0 | 0.000 | 200,000 | 0.339 |

# Annexure - D *(Contd.)*

TO THE BOARD'S REPORT

| Sr. No. | Name of Shareholder | Date | Shareholding at the beginning of the year (As on April 01, 2019) | | Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020) | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 9 | **Mr. Nagendra G. Uddagiri** | | | | | |
| | At the beginning of the Year | 1-Apr-19 | 156,700 | 0.266 | 156700 | 0.266 |
| | Increase/Decrease in Shareholding | 5-Apr-19 | (500) | (0.001) | 156,200 | 0.265 |
| | Increase/Decrease in Shareholding | 12-Apr-19 | 500 | 0.001 | 156,700 | 0.266 |
| | Increase/Decrease in Shareholding | 10-May-19 | (700) | (0.001) | 156,000 | 0.265 |
| | Increase/Decrease in Shareholding | 14-Jun-19 | 1,909 | 0.003 | 157,909 | 0.268 |
| | Increase/Decrease in Shareholding | 21/6/2019 | 5,591 | 0.009 | 163,500 | 0.277 |
| | Increase/Decrease in Shareholding | 28-Jun-19 | 2,500 | 0.004 | 166,000 | 0.282 |
| | Increase/Decrease in Shareholding | 23-Aug-19 | 1,000 | 0.002 | 167,000 | 0.283 |
| | Increase/Decrease in Shareholding | 30-Aug-19 | (1,000) | (0.002) | 166,000 | 0.282 |
| | Increase/Decrease in Shareholding | 6-Sep-19 | 1,000 | 0.002 | 167,000 | 0.283 |
| | Increase/Decrease in Shareholding | 20-Sep-19 | 1,000 | 0.002 | 168,000 | 0.285 |
| | Increase/Decrease in Shareholding | 11-Oct-19 | 300 | 0.001 | 168,300 | 0.285 |
| | Increase/Decrease in Shareholding | 8-Nov-19 | 1,200 | 0.002 | 169,500 | 0.288 |
| | Increase/Decrease in Shareholding | 15-Nov-19 | 500 | 0.001 | 170,000 | 0.288 |
| | Increase/Decrease in Shareholding | 7-Feb-20 | (5,000) | (0.008) | 165,000 | 0.280 |
| | Increase/Decrease in Shareholding | 14-Feb-20 | 3,015 | 0.005 | 168,015 | 0.285 |
| | Increase/Decrease in Shareholding | 21-Feb-20 | 2,485 | 0.004 | 170,500 | 0.289 |
| | Increase/Decrease in Shareholding | 20-Mar-20 | 1,000 | 0.002 | 171,500 | 0.291 |
| | At the end of the year | 31-Mar-20 | | | 171,500 | 0.291 |
| 10 | **Edelweiss Custodial Services Limited** | | | | | |
| | At the beginning of the Year | 1-Apr-19 | 44002 | 0.075 | 44002 | 0.075 |
| | Increase/Decrease in Shareholding | 05-APR-19 | -452 | -0.001 | 43550 | 0.074 |
| | Increase/Decrease in Shareholding | 12-APR-19 | 622 | 0.001 | 44172 | 0.075 |
| | Increase/Decrease in Shareholding | 19-APR-19 | -211 | 0 | 43961 | 0.075 |
| | Increase/Decrease in Shareholding | 26-APR-19 | 406 | 0.001 | 44367 | 0.075 |
| | Increase/Decrease in Shareholding | 03-MAY-19 | -6882 | -0.012 | 37485 | 0.064 |
| | Increase/Decrease in Shareholding | 10-MAY-19 | -750 | -0.001 | 36735 | 0.062 |
| | Increase/Decrease in Shareholding | 17-MAY-19 | 929 | 0.002 | 37664 | 0.064 |
| | Increase/Decrease in Shareholding | 24-MAY-19 | -820 | -0.001 | 36844 | 0.063 |
| | Increase/Decrease in Shareholding | 31-MAY-19 | 970 | 0.002 | 37814 | 0.064 |
| | Increase/Decrease in Shareholding | 07-JUN-19 | -835 | -0.001 | 36979 | 0.063 |
| | Increase/Decrease in Shareholding | 14-JUN-19 | 4843 | 0.008 | 41822 | 0.071 |
| | Increase/Decrease in Shareholding | 21-JUN-19 | -1665 | -0.003 | 40157 | 0.068 |
| | Increase/Decrease in Shareholding | 28-JUN-19 | 1896 | 0.003 | 42053 | 0.071 |
| | Increase/Decrease in Shareholding | 05-JUL-19 | -178 | 0 | 41875 | 0.071 |
| | Increase/Decrease in Shareholding | 12-JUL-19 | -706 | -0.001 | 41169 | 0.070 |
| | Increase/Decrease in Shareholding | 19-JUL-19 | 2303 | 0.004 | 43472 | 0.074 |
| | Increase/Decrease in Shareholding | 26-JUL-19 | 126643 | 0.215 | 170115 | 0.289 |
| | Increase/Decrease in Shareholding | 02-AUG-19 | -13916 | -0.024 | 156199 | 0.265 |
| | Increase/Decrease in Shareholding | 06-AUG-19 | 31 | 0 | 156230 | 0.265 |
| | Increase/Decrease in Shareholding | 07-AUG-19 | 23 | 0 | 156253 | 0.265 |
| | Increase/Decrease in Shareholding | 09-AUG-19 | -28 | 0 | 156225 | 0.265 |
| | Increase/Decrease in Shareholding | 16-AUG-19 | 4981 | 0.008 | 161206 | 0.273 |
| | Increase/Decrease in Shareholding | 23-AUG-19 | 335 | 0.001 | 161541 | 0.274 |
| | Increase/Decrease in Shareholding | 30-AUG-19 | 1461 | 0.002 | 163002 | 0.277 |
| | Increase/Decrease in Shareholding | 06-SEP-19 | -692 | -0.001 | 162310 | 0.275 |
| | Increase/Decrease in Shareholding | 13-SEP-19 | 3746 | 0.006 | 166056 | 0.282 |
| | Increase/Decrease in Shareholding | 20-SEP-19 | -696 | -0.001 | 165360 | 0.281 |
| | Increase/Decrease in Shareholding | 27-SEP-19 | 1124 | 0.002 | 166484 | 0.282 |
| | Increase/Decrease in Shareholding | 04-OCT-19 | -3700 | -0.006 | 162784 | 0.276 |
| | Increase/Decrease in Shareholding | 11-OCT-19 | 141 | 0 | 162925 | 0.276 |
| | Increase/Decrease in Shareholding | 18-OCT-19 | -707 | -0.001 | 162218 | 0.275 |

# Annexure - D *(Contd.)*
TO THE BOARD'S REPORT

| Sr. No. | Name of Shareholder | Date | Shareholding at the beginning of the year (As on April 01, 2019) | | Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020) | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| | Increase/Decrease in Shareholding | 25-OCT-19 | -2227 | -0.004 | 159991 | 0.271 |
| | Increase/Decrease in Shareholding | 01-NOV-19 | -470 | -0.001 | 159521 | 0.271 |
| | Increase/Decrease in Shareholding | 08-NOV-19 | 89 | 0 | 159610 | 0.271 |
| | Increase/Decrease in Shareholding | 15-NOV-19 | 41 | 0 | 159651 | 0.271 |
| | Increase/Decrease in Shareholding | 22-NOV-19 | 7 | 0 | 159658 | 0.271 |
| | Increase/Decrease in Shareholding | 29-NOV-19 | -998 | -0.002 | 158660 | 0.269 |
| | Increase/Decrease in Shareholding | 06-DEC-19 | 27 | 0 | 158687 | 0.269 |
| | Increase/Decrease in Shareholding | 13-DEC-19 | -186 | 0 | 158501 | 0.269 |
| | Increase/Decrease in Shareholding | 20-DEC-19 | 3 | 0 | 158504 | 0.269 |
| | Increase/Decrease in Shareholding | 27-DEC-19 | 8 | 0 | 158512 | 0.269 |
| | Increase/Decrease in Shareholding | 03-JAN-20 | -2000 | -0.003 | 156512 | 0.266 |
| | Increase/Decrease in Shareholding | 10-JAN-20 | -97 | 0 | 156415 | 0.265 |
| | Increase/Decrease in Shareholding | 17-JAN-20 | 875 | 0.001 | 157290 | 0.267 |
| | Increase/Decrease in Shareholding | 24-JAN-20 | 31 | 0 | 157321 | 0.267 |
| | Increase/Decrease in Shareholding | 31-JAN-20 | 25 | 0 | 157346 | 0.267 |
| | Increase/Decrease in Shareholding | 07-FEB-20 | 1386 | 0.002 | 158732 | 0.269 |
| | Increase/Decrease in Shareholding | 14-FEB-20 | 3000 | 0.005 | 161732 | 0.274 |
| | Increase/Decrease in Shareholding | 21-FEB-20 | -50 | 0 | 161682 | 0.274 |
| | Increase/Decrease in Shareholding | 28-FEB-20 | 1000 | 0.002 | 162682 | 0.276 |
| | Increase/Decrease in Shareholding | 06-MAR-20 | -3250 | -0.006 | 159432 | 0.270 |
| | Increase/Decrease in Shareholding | 13-MAR-20 | 25000 | 0.042 | 184432 | 0.313 |
| | Increase/Decrease in Shareholding | 27-MAR-20 | -11200 | -0.019 | 173232 | 0.294 |
| | Increase/Decrease in Shareholding | 31-MAR-20 | -17178 | -0.029 | 156054 | 0.265 |
| | At the end of the year | 31-Mar-20 | 0 | 0 | 156054 | 0.265 |

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

| Sr. No. | Particulars | Date | Shareholding at the beginning of the year (As on April 01, 2019) | | Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020) | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 1 | **Dr. Lalit S. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 3,477,995 | 5.90 | 3,477,995 | 5.90 |
| | Increase/decrease in Shareholding | 27-Mar-20 | 32,994 | 0.06 | 3,510,989 | 5.96 |
| | Increase/decrease in Shareholding | 31-Mar-20 | 104,395 | 0.16 | 3,615,384 | 6.13 |
| | At the end of the year | 31-Mar-20 | | | 3,615,384 | 6.13 |
| 2 | **Mr. Rahul L. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 209 | 0.00 | 209 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 209 | 0.00 |
| 3 | **Mr. Sameer L. Kanodia** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 1,472,858 | 2.50 | 1,472,858 | 2.50 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 1,472,858 | 2.50 |
| 4 | **Mrs. Mona Bhide** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 0 | 0.00 | 0 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 0 | 0.00 |
| 5 | **Mr. R. K. Saraswat** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 1,000 | 0.00 | 1,000 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 1,000 | 0.00 |
| 6 | **Mr. Dilip D. Dandekar** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 0 | 0.00 | 0 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 0 | 0.00 |

# Annexure - D *(Contd.)*

TO THE BOARD'S REPORT

| Sr. No. | Particulars | Date | Shareholding at the beginning of the year (As on April 01, 2019) | | Cumulative Shareholding during the year (April 01, 2019 to March 31, 2020) | |
|---|---|---|---|---|---|---|
| | | | No. of shares | % of total shares of the Company | No. of Shares | % of total shares of the Company |
| 7 | **Mr. Vinay M. Aggarwal** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 0 | 0.00 | 0 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 0 | 0.00 |
| 8 | **Ms. Divya Kumat** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 200 | 0.00 | 200 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 200 | 0.00 |
| 9 | **Mr. Sandeep Mantri** | | | | | |
| | At the beginning of the year | 1-Apr-19 | 0 | 0.00 | 0 | 0.00 |
| | Increase/decrease in Shareholding | | No change during the year | | No change during the year | |
| | At the end of the year | 31-Mar-20 | | | 0 | 0.00 |

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

(₹ 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, 2019** | | | | |
| i) Principal Amount | 262.50 | 0.00 | 0.00 | 262.50 |
| ii) Interest due but not paid | | | | |
| iii) Interest accrued but not due | | | | |
| **Total (i+ii+iii)** | **262.50** | **0.00** | **0.00** | **262.50** |
| **Change in Indebtedness during the financial year** | | | | |
| Addition | 400.00 | 0.00 | 0.00 | 400.00 |
| Reduction (Repayment) | 175.00 | 0.00 | 0.00 | 175.00 |
| **Net Change (ii)** | **225.00** | **0.00** | **0.00** | **225.00** |
| **Indebtedness at the end of the financial year i.e. March 31, 2020** | | | | |
| i) Principal Amount | 487.50 | 0.00 | 0.00 | 487.50 |
| ii) Interest due but not paid | 0.00 | 0.00 | 0.00 | 0.00 |
| iii) Interest accrued but not due | 0.69 | 0.00 | 0.00 | 0.69 |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

(₹ 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 | |
| 1 | Gross salary | | | |
| a) | Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. | 10.0 | 11.5 | 21.5 |
| b) | Value of perquisites under section 17(2) Income-tax Act, 1961 | | | |
| c) | Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | |
| 2 | Stock Option | | | |
| 3 | Sweat Equity | | | |
| 4 | Commission | 3.8 | 3.8 | 7.6 |
| | ● As % of profit | | | |
| 5 | Others, specify | - | - | - |
| **Total (A)** | | **13.8** | **15.3** | **29.1** |
| Ceiling as per the Act (10% of Profits calculated under Section 198 of the Companies Act, 2013) | | | 41.91 | |

**B. Remuneration to other directors:**

| Sr. No. | Particulars of Remuneration | Fee for attending Board/Committee meetings | Commission | Total Amount |
|---|---|---|---|---|
| 1 | **Independent Directors** | | | |
| | Mr. R. K. Saraswat | 0.22 | 0.19 | 0.41 |
| | Mr. Dilip Dandekar | 0.19 | 0.16 | 0.35 |
| | Mr. Vinay Aggarwal | 0.22 | 0.19 | 0.41 |
| | Mr. Shahzaad Dalal | - | 0.19 | 0.19 |
| | Mrs. Mona Bhide | 0.04 | - | 0.04 |
| **Total (1)** | | **0.67** | **0.74** | **1.40** |
| 2 | **Other Non-Executive Directors** | | | |
| | Mrs. Asha L. Kanodia | 0.14 | 0.18 | 0.32 |
| | **Total (2)** | **0.14** | **0.18** | **0.32** |
| **Total Managerial Remuneration** | | **0.81** | **0.92** | **1.73** |
| Ceiling as per the Act (1% of Profits calculated under Section 198 of the Companies Act, 2013) | | | 4.19 | |

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

| Sr. No. | Particulars of Remuneration | Ms. Divya Kumat, Company Secretary (KMP) | Mr. Sandeep Mantri Chief Financial Officer (KMP) | Total |
|---|---|---|---|---|
| 1 | Gross salary | | | |
| | a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961. | 7.99 | 6.56 | 14.55 |
| | b) Value of perquisites under section 17(2) Income-tax Act, 1961. | 0.03 | 0.03 | 0.06 |
| | c)Profits in lieu of salary under section 17(3) Income-tax Act, 1961. | - | - | - |
| 2 | Stock Option | - | - | - |
| 3 | Sweat Equity | - | - | - |
| 4 | Commission | - | - | - |
| | as % of profit | | | |
| 5 | Others - Contribution to Provident Fund, Allowance etc. | - | - | - |
| **Total** | | **8.02** | **6.59** | **14.61** |

**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, 2020. | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **B. DIRECTORS** | | | | | |
| Penalty | There were no penalties, punishment, compounding of offences during the year ended March 31, 2020. | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| Penalty | There were no penalties, punishment, compounding of offences during the year ended March 31, 2020. | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

# Annexure - E

TO THE BOARD'S REPORT

# Business Responsibility Report

The Directors present the Business Responsibility ("BR") Report of the Company for the financial year ended 31st March, 2020, pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## ❖ SECTION A - GENERAL INFORMATION ABOUT THE COMPANY:

| No. | Disclosures | Information / Reference sections |
|---|---|---|
| 1. | Corporate Identity Number (CIN) of the Company | L72200MH1987PLC045205 |
| 2. | Name of the Company | Datamatics Global Services Limited |
| 3. | Registered address | Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai - 400093, Maharashtra, India. |
| 4. | Website | www.datamatics.com |
| 5. | E-mail id | investors@datamatics.com |
| 6. | Financial Year reported | April 1, 2019 to March 31, 2020 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | **NIC Code**: 6209<br>**Product Description:** Information Technology (IT) & Information Technology enabled Services (ITeS) |
| 8. | List three key products/services that the Company manufactures/provides (as in balance sheet) | Refer Page no. 2 – 5 of this Report |
| 9. | Total number of locations where business activity is undertaken by the Company | Company has undertaken business activities in four (4) international locations namely USA, Europe, Philippines and UAE. Company has carried out business in five (5) national locations namely Mumbai, Bangalore, Chennai, Puducherry and Nashik |

## ❖ SECTION B - FINANCIAL DETAILS OF THE COMPANY:

| No. | Disclosures | Information / Reference Sections |
|---|---|---|
| 1. | Paid up Capital | INR 29,47,46,685/- consisting of 5,89,49,337 equity shares of INR 5/- each. |
| 2. | Total Turnover | INR 4,158,348,983 |
| 3. | Total profit after taxes | INR 307,403,160 |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | NIL |
| 5. | **List of activities in which expenditure in 4 above has been incurred** | Refer Annexure C of the Board's Report in this Annual Report. |

## ❖ SECTION C - OTHER DETAILS:

1. **Does the Company have any Subsidiary Company/ Companies?**

   The Company has subsidiary companies in India, the USA, the UK, Germany, The Netherlands, Philippines, Singapore, Mauritius, Dubai, Switzerland, Australia and British Virgin Islands.

2. **Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).**

   No.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%].**

   Yes. Less than 30%.

## ❖ SECTION D - BR INFORMATION:

1. Details of Director/Directors responsible for BR:

(a) **Details of the Director/Directors responsible for implementation of the BR policy/policies.**

The CSR Committee of the Board of Directors is responsible for implementation of BR policies. The members of the CSR Committee are as follows:

| DIN | Name | Designation |
|---|---|---|
| 00075801 | Rahul L Kanodia | Chairman |
| 00015095 | Radhakrishna K Saraswat | Member |
| 00008232 | Sameer L Kanodia | Member |

**(b) Details of the BR head:**

| | |
|---|---|
| **Name** | **Rahul L. Kanodia** |
| Designation | Vice Chairman & CEO |
| DIN | 00075801 |
| Telephone number | +91 22 61020217 |
| Email ID | Rahul.kanodia@datamatics.com |

**2. Principle wise (as per National Voluntary Guidelines) BR Policy/policies:**

The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine (9) areas of Business Responsibility. These briefly are as follows:

| Reference | Principles | Description |
|---|---|---|
| P1 | Principle 1 | Business should conduct and govern themselves with Ethics, Transparency and Accountability |
| P2 | Principle 2 | Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle |
| P3 | Principle 3 | Businesses should promote the wellbeing of all employees |
| P4 | Principle 4 | Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized |
| P5 | Principle 5 | Businesses should respect and promote human rights |
| P6 | Principle 6 | Business should respect, protect, and make efforts to restore the environment |
| P7 | Principle 7 | Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner |
| P8 | Principle 8 | Businesses should support inclusive growth and equitable development |
| P9 | Principle 9 | Businesses should engage with and provide value to their customers and consumers in a responsible manner |

| Sr. No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Do you have a policy/ policies for each of the Principles? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2 | Has the policy being formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3 | Does the policy conform to any national / international standards? If yes, specify? | Yes, the BR policies are formulated on the basis of national and international standards and compliant with the principles of the National Voluntary Guidelines (NVG). | | | | | | | | |
| 4 | Has the policy being approved by the Board? if yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5 | Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? | Yes, the CSR Committee of the Board of Directors is responsible for implementation of BR policies | | | | | | | | |
| 6 | Indicate the link for the policy to be viewed online? | Link to all policies: https://www.datamatics.com/about-us/investor-relations/corporate-governance | | | | | | | | |
| 7 | Has the policy been formally communicated to all relevant internal and external stakeholders? | Yes, the policies have been communicated to internal and external stakeholders. They are available online for all stakeholders to refer in the above mentioned links. | | | | | | | | |

| Sr. No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 8 | Does the company have in-house structure to implement the policy/ policies | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9 | Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies? | Yes, any grievance or feedback related to the policies can be sent to **investors@datamatics.com** CSR committee of the Board of Directors is responsible for addressing stakeholder concerns related to BR policies. | | | | | | | | |
| 10 | Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency? | Y | Y | Y | Y | Y | Y | Y | Y | Y |

**2a. If answer to S. No. 1 against any principle, is 'No', please explain why:**

Not Applicable ("NA")

| Sr. No | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| 1 | The company has not understood the Principles | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 2 | The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 3 | The company does not have financial or manpower resources available for the task | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 4 | It is planned to be done within next 6 months | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 5 | It is planned to be done within the next 1 year | NA | NA | NA | NA | NA | NA | NA | NA | NA |
| 6 | Any other reason (please specify) | NA | NA | NA | NA | NA | NA | NA | NA | NA |

**3. Governance related to BR:**

(a) **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO meet to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

The Company is publishing its 1st BR Report for the current reporting period. The Board of Directors of the Company will annually review the BR related performance.

(b) **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

The BR Report of the Company is part of the Annual Report for the F.Y. 2019-20 and the same is available on:

**https://www.datamatics.com/about-us/investor-relations/financials**

## ❖ SECTION E - PRINCIPLE WISE PERFORMANCE:

| P1 – Business should conduct and govern themselves with ethics, transparency and accountability | | |
|---|---|---|
| **Principle No** | **Description** | **Response** |
| 1.1 | Does the policy relating to ethics, bribery and corruption cover only the Company? Yes / No. Does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | No<br><br>Yes<br><br>The Company has an enduring legacy of conducting business with the highest standards of ethics. The Company has adopted Anti Bribery and Anti-Corruption policy with the objectives of enhancing the standards of ethical code of conduct for the highest degree of transparency, integrity, accountability and corporate social responsibility.<br>The Whistle Blower policy of the Company provides a mechanism for the employees of the Company and other persons dealing with the Company to report to the Audit Committee, any instance of unethical behaviour, actual or suspected fraud or violation of any of the Company's Policies. |
| 1.2 | How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management?<br><br>If so, provide the details thereof. | The Company has not received any complaints from the stakeholders in the financial year in relation to code of conduct, business ethics, transparency and accountability. |
| **P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle** | | |
| 2.1 | List up to three of your products or services whose design has incorporated social or environmental concerns, risks and / or opportunities. | The Company is a technology company that builds intelligent solutions for data-driven enterprises. The Company's portfolio spans across Information Technology Solutions, Business Process Management (BPM) and Engineering Services, powered by Artificial Intelligence. The Company has also established products in Robotic Process Automation, Advanced Analytics, Business Intelligence, and Automated Fare Collection. All the above services and solutions are fundamentally premised on improving resource efficiency and reducing environmental footprint. |
| 2.2 | For each such product, provide the following details in respect of resource use (energy, water, raw material, etc.) per unit of product (optional) | As detailed in point 2.1 above, all the business services of the Company significantly helps to improve the process efficiency and business outcomes for the customers of the Company. All these solutions directly or indirectly also improve the environmental impacts for the Company's customers. However due to nature of the Company's services, it is difficult to quantify. |
| 2.3 | Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably and provide details thereof. | No.<br>The Company is in the process of taking steps to enhance the sustainable sourcing. |

| | | |
|---|---|---|
| 2.4 | Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors? | The Company has not taken any steps to specifically procure goods and services from local and small producers, including communities surrounding the work place. However, the Company engages with both local and global suppliers. Purchases are driven by open and transparent non-discriminatory procurement process. The Company has enrolled multiple suppliers with preference to local vendors in several areas such as office catering, local transportation, subcontracted resources, etc. |
| 2.5 | Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)? Also, provide details thereof, in about 50 words or so. | Yes, the Company has a mechanism to recycle products and waste. The Company has taken few initiatives as below:<br>(1) **E-waste (10%):**<br>(a) The Company recycles few desktops by making it functional (assisted by IT) and then send it for CSR purposes.<br>(b) The Company disposes the balance desktops through scrap for further recycling by the dealers.<br>(2) **Disposable Stationery (5%):**<br>(a) When there is change in Logos/name/colour and various changes on good quality paper, the Company cuts the same into sizes and re-use it.<br>(b) One side (non-confidential) papers, are cut & re-used for making small booklets.<br>(3) **Project waste (20%):**<br>(a) Hardware waste (wooden furniture, ply partitions, glass and paint, etc.) are reused in terms of modifications/remodelling/conversions, etc. for new plans.<br>(b) Sort & Store - The waste as per the category, with proper packing and reusing by remodelling/resizing or as per requirements. |
| **P3 – Businesses should promote the wellbeing of all employees.** | | |
| 3.1 | Please indicate the total number of employees. | 5545 |
| 3.2 | Please indicate the total number of employees hired on a temporary / contractual / casual basis. | 1130 |
| 3.3 | Please indicate the number of permanent women employees. | 1403 |
| 3.4 | Please indicate the number of permanent employees with disabilities | 10 |
| 3.5 | Do you have an employee association that is recognized by the Management? | No |
| 3.6 | What percentage of your permanent employees are members of this recognized employee association? | 0% |
| 3.7 | Please indicate the number of complaints relating to child labour, forced labour, involuntary labour and sexual harassment in the last financial year, and those that are pending, as on the end of the financial year. | Nil |
| 3.8 | What percentage of your under-mentioned employees were given safety and skill up-gradation training in the last year? • Permanent employees • Permanent women employees • Casual / temporary / contractual employees • Employees with disabilities. | • Permanent employees: Safety- 1.2% and skill up-gradation -74%<br>• Permanent women employees : skill up-gradation -30%<br>• Casual / temporary / contractual employees: skill up-gradation -53%<br>• Employees with disabilities: 100% |

| | | |
|---|---|---|
| **P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.** | | |
| 4.1 | Has the Company mapped its internal and external stakeholders? | The Company has a systematic process of identifying all the key internal and external stakeholders impacted by our operations. Below is the list of our key stakeholders;<br>a. Management<br>b. Shareholders<br>c. Employees<br>d. Suppliers<br>e. Vendors<br>f. NGO's<br>g. Government authorities<br>h. Local communities |
| 4.2 | Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders? | The Company has identified children as disadvantaged, vulnerable & marginalised stakeholders.<br>The Company has further identified physically challenged individuals and rural women as disadvantaged, vulnerable & marginalised stakeholders. |
| 4.3 | Are there any special initiatives undertaken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide the details thereof. | The Company identifies the needs of the communities spread around its area of operations and decides on the CSR programs. Currently, the Company is focusing on education programmes and details of its CSR spending in promoting education is detailed in Annexure C of Director's Report in this Annual Report.<br><br>Further, the Company has tied up with various institutions to train and provide employment opportunities for physically challenged individuals and rural women.<br><br>Besides this, the Company has a special "Knowledge Associate" initiative that opens up opportunities for individuals, who would otherwise be deprived of gainful employment opportunities.<br><br>The Knowledge Associate program provides employment opportunity to:<br>- Women who are unable to attend regular jobs due to family priorities but still need to supplement the family income.<br>- Individuals with physical disabilities, who are unable to commute for regular employment, can however deliver good quality work if allowed to work from home.<br>- Individuals in remote rural areas who do not have good employment opportunities in their towns and villages and are hence, forced by circumstances to migrate in large numbers to the cities.<br>Company's Knowledge Associate program allows such individuals to work from their own homes. This program has also created employment opportunities for wives of mine workers in some of India's remote mining locations, who would otherwise have no employment opportunities. |
| **P5. Businesses should respect and promote human rights.** | | |
| 5.1 | Does the policy of the Company on human rights cover only the Company or extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | The policy is applicable to the Company, all its subsidiaries and vendors. |
| 5.2 | How many stakeholder complaints have been received in the past financial year, and what percentage was satisfactorily resolved by the Management? | The Company has not received any complaints from the stakeholder for human rights violation in the financial year 2019-20. |

| | | |
|---|---|---|
| **P6. Business should respect, protect, and make efforts to restore the environment.** | | |
| 6.1 | Does the policy related to Principle 6 cover only the Company, or does it extend to the Group / Joint Ventures / Suppliers / Contractors / NGOs / Others? | The policy is applicable to the Company and all its subsidiaries. The Company expects its suppliers, partners and contractors to be compliant with applicable laws and regulations including environmental laws and regulations. |
| 6.2 | Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Yes / No. If yes, please give the hyperlink for the web page, etc. | Please refer point 2.2 |
| 6.3 | Does the Company identify and assess potential environmental risks? | Yes |
| 6.4 | Does the Company have any project related to the Clean Development Mechanism? If so, provide details thereof. Also, if yes, has any environmental compliance report been filed? | Not Applicable |
| 6.5 | Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc.? Yes / No. If yes, please give the hyperlink for the web page, etc. | Yes. Link for webpage: Datamatics.com/hubfs/Investors/Corporate %20Governance/Green- Initiative.pdf. The Company has also installed LED lights which has significantly led to savings in energy. |
| 6.6 | Are the emissions / waste generated by the Company within the permissible limits given by CPCB / SPCB for the financial year being reported? | Yes the emissions and waste generates by the Company are within the permissible limits. |
| 6.7 | Number of show cause / legal notices received from CPCB / SPCB which are pending (i.e., not resolved to satisfaction) as on the end of the financial year. | NIL |
| **P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.** | | |
| 7.1 | Is your Company a member of any trade and chamber or association? If yes, name only those major ones that your business deals with. | The Company is member of Indo American Chamber of Commerce (IACC) and The National Association of Software and Service Companies (Nasscom). |
| 7.2 | Have you advocated / lobbied through the above associations for the advancement or improvement of public good? Yes / No. If yes, specify the broad areas (Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy Security, Water, Food Security, Sustainable Business Principles, Others). | No, the Company has not advocated / lobbied through the above associations for the advancement or improvement of public good. |
| **P8 – Businesses should support inclusive growth and equitable development.** | | |
| 8.1 | Does the Company have specified programs / initiatives / projects in pursuit of the policy related to Principle 8? If yes, provide the details thereof. | Refer Annexure C of Director's Report in this Annual Report. The Company has been supporting & encouraging the National Apprenticeship Promotion Scheme (NAPS) and Employment Promotion Program (EPP) aimed at skill development and promoting youth employment with local economic opportunities. During the FY 2019-20, the Company hired & trained 1348 trainees under both the programs. Also refer point 4.3 in respect of "Knowledge Associate" initiative by the Company that opens up opportunities for individuals, who would otherwise be deprived of gainful employment opportunities. |

| | | |
|---|---|---|
| 8.2 | Are the programs / projects undertaken through an in-house team / own foundation / external NGO / government structures / any other organization? | The programs / projects as referred to in 8.1 are carried out directly by the Company. |
| 8.3 | Have you done any impact assessment of your initiative? | Yes |
| 8.4 | What is your Company's direct contribution to community development projects – amount in and the details of the projects undertaken? | Refer Annexure C of Director's Report in this Annual Report |
| 8.5 | Have you taken steps to ensure that this community development initiative is successfully adopted by the community? | Yes. Initiatives conducted under CSR are tracked to determine the outcomes achieved and the benefits to the community.<br>The National Apprenticeship Promotion Scheme (NAPS) and Employment Promotion Program (EPP) aimed at skill development and promoting youth employment are continuously monitored for improvements. |
| **P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner** | | |
| 9.1 | What percentage of client complaints / consumer cases are pending as on the end of the financial year? | There are no client complaints cases pending as on the end of the financial year. |
| 9.2 | Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes / No / NA / Remarks (additional information) | NA |
| 9.3 | Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising, and / or anti-competitive behaviour during the last five years and pending as on the end of the financial year? If so, provide the details thereof. | No |
| 9.4 | Did your Company carry out any consumer survey / measure consumer satisfaction trends? | Yes.<br>The company conducts a customer satisfaction surveys at the end of every major milestone to assess customer's perception of our services. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the Company.<br>The Company feels proud to share that the Company continues a stellar performance on this count. The Company has scored 5.18 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that 79% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely satisfied and delighted. 41 customers have rated us as delighted on all the parameters. The Company believes that in the modern environment Customer Experience i.e. the impression that customers make during their interaction with the Company, is extremely critical. Customer Experience, apart from the feedback on the hard deliverables, is an integral part of these surveys. The Company is glad to share that the results are very positive on this front.<br>Apart from this, the more frequent and real time Customer Feedback Capture mechanism that captures feedback through other formal and informal channels also reports an improving trend in the customer sentiment towards the Company's processes and performance. |

# Management Discussion and Analysis

## Introduction

In the wake of COVID-19 crisis, Datamatics priorities include focusing on employee well-being, servicing and retaining customers and tightly managing cash-flows. Team Datamatics has done exceedingly well in managing on all the three fronts in the face of the current crisis. Also, with a diversified customer base across industries, Datamatics believes that the company is better prepared to face the challenge.

As enterprises adopt digital technologies to drive their businesses, Datamatics is well positioned to implement Digital Technologies, including Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence for them. It provides the company an excellent opportunity to partner with customers in implementing digital transformation solutions that would ensure business continuity and enable them to remain competitive.

## A. Economic Environment

As per World Economic Outlook, April 2020, as a result of the pandemic, the global economy is projected to contract sharply by -3% in 2020. There is high uncertainty around the global growth forecast. In a baseline scenario--which assumes that the pandemic fades in the second half of 2020 and containment efforts can be gradually unwound—the global economy is projected to grow by 5.8% in 2021. The risks of even more severe outcomes, however, are substantial.

As per the report, the key forecasts for markets are as follows:

- The forecast for the United States is expected to decline from 2.3% in 2019 to -5.9% in 2020 and recover to 4.7% in 2021.
- The forecast for Euro is set to decline sharply from 1.2% in 2019 to -7.5% in 2020 and recover to 4.7% in 2021. Many economies, notably Italy, Spain, France, and Germany are getting impacted severely because of the pandemic.
- Substantial uncertainty exists around the baseline projection of decline of -6.5% in the United Kingdom in 2020-21 because of prolonged uncertainty about the Brexit outcome as well as COVID-19 pandemic.
- Growth in emerging and developing Asian countries will dip from 5.5% in 2019 to 1% in 2020 and improve to 6.6% in 2021.
- India's economy is poised to slow down because of the pandemic and the forecast for India is expected to decline from 4.2% in 2019 to 1.9% in 2020 and increase to 7.4% in 2021.

*Source: World Economic Outlook Update, April 2020*

## Industry Review

A high uncertainty exists around the global growth forecast. The economic fallout depends on factors that interact in ways that are hard to predict, including the speed of COVID-19 transmission, the intensity and efficacy of containment efforts, the shifts in spending patterns, the extent of supply disruptions and the repercussions of the tightening in global financial market conditions. Though IT and BPM industry is going to get severely impacted because of COVID-19, it is too early to forecast how the worldwide IT and BPM industry will fare in the next 12 months. However, to address the challenges posed by the pandemic to the enterprises, Datamatics is witnessing that the digital technologies, such as Robotic Process Automation, Digital Business Automation, and Cloud Services are performing better. IT and BPM companies will have to work towards achieving savings for their client through innovative methods and approaches.

## B. Business review

Datamatics is a technology company that builds intelligent solutions for data-driven enterprises to improve their productivity and customer experience.

Datamatics has strong footprint in the digital space providing new age solutions in Cloud, Mobility, Robotics, Digital Process Automation and Artificial Intelligence. Datamatics also has a strong product portfolio in Robotic Process Automation (TruBot), Intelligent Data Capture (TruCap+), Business Intelligence & Advance Analytics (TruBI), Artificial Intelligence (TruAI) and Automated Fare Collection (TruFare).

Datamatics provide digital solutions across Banking & Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing; servicing over 200 significant customers globally.

The Company has presence across four continents with major delivery centres in the USA, India, and Philippines.

**Highlights 2019-20**

During the year, Datamatics received several awards and recognitions:

**Key Analyst Recognition:**

- TruCap+ featured in Everest Peak Matrix – Intelligent Document Processing (IDP) Technology Vendors 2020 as 'MAJOR CONTENDER';
- Datamatics recognised in Everest Group PEAK Matrix™ for Finance and Accounting (F&A) Digital Capability Platform (DCP) Solutions Assessment 2020 as 'STAR PERFORMER';
- TruBot recognised by Gartner Peer Insights as 'Voice of the Customer': Robotic Process Automation Software, 2019;
- Datamatics acknowledged by Gartner in Critical Capabilities for Robotic Process Automation report;
- TruBot recognised by Quadrant Knowledge Solutions in SPARK Matrix: for Robotic Process Automation 2019;
- TruBot recognised by Gartner in Magic Quadrant for Robotic Process Automation Software;
- TruBot featured in the Nelson Hall NEAT for Intelligent Automation Platforms 2019 as 'HIGH ACHIEVER';
- Datamatics featured in Everest Group PEAK Matrix Assessment, 2019: RPA – Technology Vendor Landscape as 'STAR PERFORMER';

- TruBot recognised by Juniper Research in Robotic Process Automation in Telecoms & Insurance, 2019;

**Key Awards**

- American Business Awards® awarded Gold Stevie Award 2019 to TruBot;
- International Association of Outsourcing Professionals (IAOP) featured Datamatics in the 'IAOP global outsourcing 100 list 2020';
- IBS Intelligence recognised TruBot with Global FinTech Innovation Awards 2019;
- MRSI Golden Key Award acknowledged Datamatics for 'Best business impact through analytics';
- NASSCOM awarded Customer Service Excellence Award 2019 to Datamatics;
- Datamatics won Rail Analysis India Award 2020 for TruFare, its Automated Fare Collection (AFC) product;

## C. Business drivers

**Products & Platforms:** Datamatics is investing in developing as well as updating its own IP solutions in the digital technology space. Datamatics products and platforms such as TruBot for Robotic Process Automation, TruCap+ for intelligent data capture, iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection, are getting good traction in the market.

**Partner and reseller channels:** On the back of product strategy, Datamatics is aggressively investing in expanding its partner network and has over 100 partners across the globe. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally. Notable inclusions in the channel ecosystem are TCS as global strategic partner and Ingram Micro, a global broad-based IT distributor, as preferred reseller in India.

**Automated Fare Collection (AFC):** This has been a key focus area for Datamatics, with it being the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. Datamatics sees this as a huge opportunity in emerging economies around the world, including India. Datamatics is also actively pursuing US market and has recently won the Automated Fare Collection contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

**Digital Solutions – RPA, Digital Experiences, Cloud:** Datamatics is well positioned to implement digital technologies, such as Intelligent Data Capture, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY20, Datamatics made significant efforts and investments in strengthening its digital footprint.

**Account Penetration:** Datamatics has customers across industries; many of these are Fortune 500 companies. Datamatics is focusing on deeper penetration within the customer accounts through account management for cross-selling and up-selling through its integrated sales and marketing efforts.

**Branding & Marketing:** Datamatics has been investing in marketing and branding efforts for increasing visibility, strengthening digital footprint and geographic reach.

## D. Business performance

Datamatics consolidated revenue rose to ₹ 12,033 million, up by 6.16%, in constant currency grew by 5.5% against FY19 but profit after tax reduced by 14%. Of the total revenue, IT solutions - include application management services, digital solutions such as Robotic Process Automation, Digital Experiences, Cloud solutions, analytics as well as Automated Fare Collection - constitute 59%. On the other hand, Business Process Management constitute 41% of total revenues. The revenues from IT solutions grew by 9% and Business Process Management grew by 3% year-on-year.

## E. Financial performance

### I. Financial Condition

### SOURCES OF FUNDS

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

**a. Share Capital**

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

The paid-up capital of the Group remains same as on 31 March 2020 vis-à-vis that of previous year, i.e. ₹294.75 Million divided into 58,949,337 equity shares of ₹5 each fully paid up.

**b. Other Equity**

(₹ in Million)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Securities Premium | 1,080.08 | 1,080.08 |
| Retained Earnings | 4,525.46 | 3,992.59 |
| Capital Redemption Reserve | 494.28 | 494.28 |
| Capital Reserve | (62.07) | (62.07) |
| General Reserve | 585.88 | 585.88 |
| Employee Stock Option Outstanding | 10.71 | 21.43 |
| Cash Flow Hedging Reserve | (52.13) | 82.68 |
| Foreign Currency Translation Reserve | 130.32 | (71.42) |
| FVOCI –Equity Instruments | (3.38) | 4.27 |
| Actuarial Gains & Losses OCI | (60.88) | (22.91) |
| **Total** | **6,648.27** | **6,104.81** |

Reserves and surplus increased by ₹543.44 Million mainly on account of profit for the year of ₹618.27 Million, along with increase in foreign currency translation and cash flow reserve by ₹66.94 Million. The increase is offset by payment of dividend of ₹68.87 Million and one time impact of Ind AS 116 of ₹55.01 Million.

**Total Equity**

The total equity increased to ₹7,163.17 Million as on March 31, 2020 from ₹6,793.23 Million as on March 31, 2019, an increase of ₹369.94 Million.

The book value per share increased to ₹121.51 as on March 31, 2020 compared to ₹115.24 on March 31, 2019.

## APPLICATION OF FUNDS

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

Addition to Gross Block

(₹ in Million)

| Particulars | March 31, 2020 |
|---|---|
| Leasehold improvements | 41.72 |
| Machinery and equipment | 37.01 |
| Computers | 41.47 |
| Furniture and fixures | 13.16 |
| Vehicles | 7.52 |
| Buildings | 8.74 |
| Software | 67.50 |
| Other Assets | 0.75 |
| **Total** | **217.87** |

Capital commitments

The Group has capital commitment of ₹4.96 Million as on March 31, 2020 as compared to ₹5.93 Million as on March 31, 2019.

**d. Deferred tax assets / liabilities**

(₹ in Million)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Deferred tax assets, net | 70.15 | 24.91 |

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

**e. Trade Receivables**

The trade receivables amounted to ₹2,724.51 Million (net of provision for doubtful debts amounting to ₹205.32 Million) as on March 31, 2020, compared to ₹2,461.37 Million (net of provision for doubtful debts amounting to ₹276.00 Million) on March 31, 2019. These debts are considered good and realizable. Debtors represented Days Sales Outstanding of 83 days, compared to 79 days in the previous year.

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

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

Current investment decreased to ₹254.95 Million as on March 31, 2020 from ₹454.50 Million on March 31, 2019. Non-current investments decreased to ₹108.14 Million as on March 31, 2020 from ₹113.91 Million on March 31, 2019.

**g. Cash and cash equivalents**

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

Cash and bank balance in current account stands at ₹1,948.17 Million as on March 31, 2020 as compared to ₹696.18 Million on March 31, 2019. Net cash from operations in FY 2019-20 is ₹834.81 Million vis-a-vis ₹896.07 Million in FY 2018-19. Net cash used in investing activities in FY 2019-20 is ₹96.50 Million vis-a-vis ₹647.76 Million in FY 2018-19. Net cash from financing activities in FY 2019-20 is ₹514.01 Million vis-à-vis used in ₹369.97 Million in FY 2018-19.

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

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

(In ₹ Million)

| Particulars | Current | | Non-current | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Loan to employees and Others | 10.97 | 3.65 | 1.30 | 0.29 |
| Security deposits | 12.06 | 8.01 | 135.44 | 102.78 |
| Fair value of outstanding forward contracts | 27.00 | 72.24 | 2.72 | 53.76 |
| Fair value of outstanding corporate guarantee | - | - | - | 8.92 |
| Capital advances | - | - | 0.14 | 5.93 |
| Prepaid expenses | 150.09 | 139.23 | 3.95 | 0.78 |
| Balance with government authorities | 111.35 | 92.70 | 0.05 | 0.05 |
| Other assets | 7.00 | - | 0.42 | 0.39 |
| Interest accrued | 2.84 | 0.06 | - | - |
| Advances to related parties and vendors | 88.36 | 64.24 | - | - |
| Unbilled revenue | 722.70 | 614.71 | - | - |
| **Total** | **1,132.37** | **994.84** | **144.02** | **172.90** |

Non-current loans and advances and other non-current assets decreased to ₹144.02 Million as on March 31, 2020 compared to ₹172.90 Million on March 31, 2019. Decrease is on account of Fair value of outstanding forward contracts by ₹51.04 Million, Fair value of outstanding corporate guarantee of ₹8.92 Million and Capital advances of ₹5.79 Million, offset by increase in prepaid expenses by ₹3.17 Million, security deposit of ₹32.66 Million and loan to employees and others by ₹1.01 Million.

Current loans and advances and other current assets were ₹1,132.37 Million as on March 31, 2020 compared to ₹994.84 Million on March 31, 2019. Current loans and advances include loan to employees. Other current assets include increase in Security deposits worth ₹4.05 Million, increase in unbilled revenue for ₹107.99 Million, Advance to related parties and vendors worth ₹24.12 Million, Balance with government authorities ₹18.65 Million, Prepaid Expenses worth ₹10.86 Million offset by decrease in Fair value of outstanding forward contracts for ₹45.24 Million.

**Current and Non-current provisions**

(in ₹ Million)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Provision for employee benefits – Gratuity | 221.44 | 171.42 |
| Provision for employee benefits – Leave encashment | 125.52 | 93.86 |
| **Total** | **346.96** | **265.28** |

Employee benefits provision increased to ₹346.96 Million as on March 31, 2020 compared to ₹265.28 Million on March 31, 2019.

The Board of Directors, in their meeting held on May 14, 2020 proposed no final dividend.

**i. Other Current and non-current Liabilities and Trade payables**

(in ₹ Million)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Trade payable | 897.30 | 742.27 |
| Current borrowings | 964.64 | 358.79 |
| Interest accrued but not due | 0.98 | - |
| Unearned revenue | 144.08 | 157.21 |
| Advance received from customer | 87.99 | 21.82 |
| Unpaid dividend | 1.77 | 1.75 |
| Statutory dues | 199.07 | 142.44 |
| Creditor for capital expenditure | 0.53 | 0.55 |
| Fair Value of outstanding forward contracts | 100.59 | 4.82 |
| Fair Value of outstanding corporate guarantee | - | 8.92 |
| Fair Value of contingent consideration | 22.17 | 96.13 |
| Deposits received | 14.84 | - |
| Other payable | 6.58 | 24.07 |
| **Total** | **2,440.54** | **1,555.77** |

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

**II. Operations Results**

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

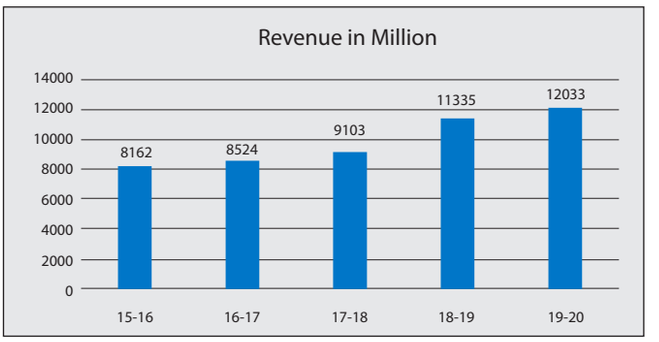
(in ₹ Million)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Revenue from Operations | 12,033.24 | 11,334.90 |
| Other Income | 205.10 | 108.12 |
| **Total Revenue** | **12,238.34** | **11,443.02** |
| Operating Expenses | 10,797.51 | 9,996.43 |
| **EBITDA** | **1,440.83** | **1,446.59** |
| Finance Cost | 46.26 | 47.71 |
| Depreciation and Amortization | 369.97 | 260.35 |
| Impairment of Goodwill | 157.72 | - |
| **Earnings before Tax** | **866.88** | **1,138.53** |
| Share of Net profits of Joint Venture | 12.03 | 8.98 |
| **Earnings before Tax** | **878.91** | **1,147.51** |
| Taxes | 260.64 | 302.76 |
| **Profit after Tax** | **618.27** | **844.75** |

a. **Income:**

**Revenue from Operations**

Revenue from operations increased by 6.2% to ₹12,033.24 Million in FY 2019-20 compared to ₹11,334.90 Million in FY 2018-19. COVID19 has affected volumes in BPO business specially tax return processing and banking transaction processing, total impact was about 0.8% on annual revenues, else we would have grown 7% instead 6.2%.




**CAGR 10.19% for 5 years**

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

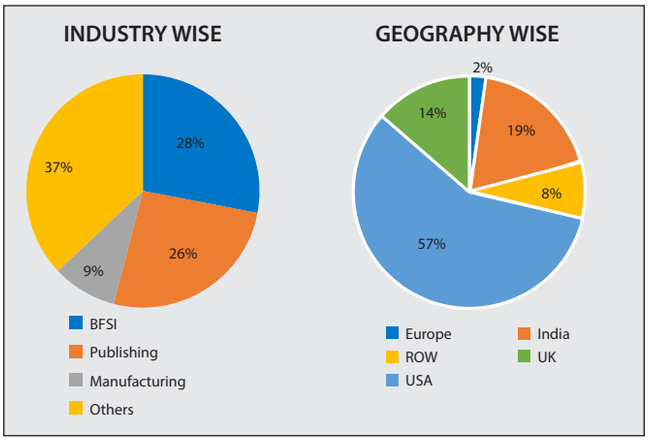
| Growth attributable to | FY 2020 | FY 2019 |
|---|---|---|
| Business growth | 5.50% | 17.9% |
| Impact of exchange rate | 0.66% | 6.6% |
| Total growth | 6.16% | 24.5% |

Movements in currency exchange rates through the year resulted in an impact of 0.66% on the reported revenue. The constant currency revenue growth for the year was 5.50%.

Average currency rates during FY 2019-20 compared to those in FY 2018-19 are given below:

| Currency | Weightage (%) | FY 2019 | FY 2020 | % Change y-o-y |
|---|---|---|---|---|
| USD | 57 | 69.74 | 70.76 | 1.47 |
| GBP | 14 | 91.56 | 90.01 | -1.69 |
| EUR | 2 | 80.81 | 78.62 | -2.71 |
| AUD | 3 | 50.84 | 48.20 | -5.19 |
| CHF | 1 | 70.58 | 71.83 | 1.78 |
| AED | 1 | 18.98 | 19.27 | 1.53 |
| PHP | 3 | 1.32 | 1.38 | 0.06 |

**Segment information**




**Other Income**

(₹ in Million)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest Income | 4.01 | 2.30 |
| Dividend Income | 3.71 | 5.14 |
| Profit on Sale of Investment | 26.63 | 18.27 |
| Unrealized Gain on Investments | (11.66) | 1.43 |
| Foreign Exchange Gain | 152.63 | 23.45 |
| Guarantee Fees Received | - | 1.00 |
| Profit on Sale of Assets | 0.82 | - |
| Sundry Balance Written Back | 10.12 | 1.62 |
| Miscellaneous Income | 18.84 | 54.91 |
| Total | **205.10** | **108.12** |

Other income increased to ₹205.10 Million in FY 2019-20 from ₹108.12 Million in FY 2018-19. The increase is primarily on account of gain from exchange fluctuations by ₹129.19 Million, Sundry balances write back by ₹8.49 Million, Profit on Sale of Investment by ₹8.37 Million, Interest Income ₹1.86 Million offset by Unrealized loss on Investments by ₹13.09 Million, Dividend income by ₹1.43 Million and Miscellaneous Income (Incentive received under SEIS Scheme) by ₹36.41 Million.

**b. Expenditure**

Operating expenses comprise purchase of IT products and licenses, employee benefits expense and other expenses. The total operating expenses stood at ₹10,797.51 Million in FY 2019-20 compared to ₹9,996.43 Million in FY 2018-19. Operating expenses as a percentage to revenue has increased from 88.19% of revenue in FY 2018-19 to 89.73% of revenue in FY 2019-20.

Employee benefits expense increased by ₹859.38 Million to ₹7,750.70 Million in FY 2019-20. Employee benefit expenses have increased from 60.78% of revenue in FY 2018-19 to 64.41% of revenue in FY 2019-20.

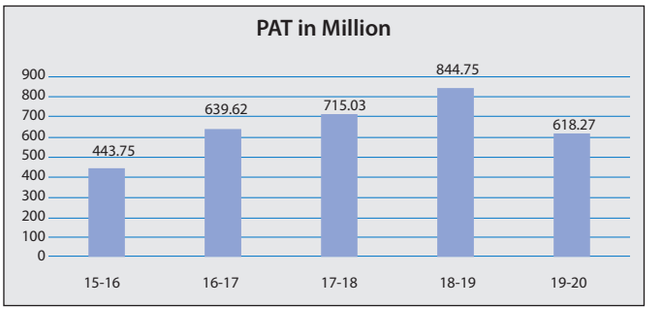
**c. Depreciation, Amortization and Impairment of Goodwill**

Depreciation charge has increased to ₹369.97 Million in FY 2019-20 from ₹260.35 Million in FY 2018-19. There is an impairment of goodwill of ₹157.72 Million in FY 2019-20 compared to NIL in FY 2018-19.

**d. Profit after Tax**

Net Profit after Tax decreased to ₹618.27 Million in FY 2019-20 from ₹844.75 Million in FY 2018-19. Net profit after non-controlling Interest decreased from ₹745.07 Million in FY 2018-19 to ₹638.64 Million in FY 2019-20.

**CAGR 8.6% for 5 years**




## F. Risk management

The Company's global operations bring in considerable complexities and in response to that, Datamatics has established a robust enterprise risk and compliance management framework and process. This process provides an enterprise-wide view of risks and compliance which enables it to take a more holistic approach towards informed decision making. Some significant risks that could hinder Company operations are identified below:

**Global Economic Risk**

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

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

**Employee Related Risks**

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

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

It strives to maintain its position as the employer of choice Its Human Resources Department (HRD), is aligned with the Company's vision to attract, retain, and nurture high-quality talent.

The Company consistently tries to create a culture of learning and continuous improvement, to build and grow employee's career, across all HR functions.

**Business Continuity and Information Security**

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

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

The Company's operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements and HIPAA requirements. The Company

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

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

**Competition Risk**

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

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

**Legal and Regulatory Compliance Risk**

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

To keep the Company protected against the risk of data privacy breach, all its contracts with the customers in the EU region have been revised to incorporate GDPR requirements. A dedicated

Data Protection Officer (DPO) has been appointed to address issues, if any, raised around GDPR compliance. Regular online training and workshops on Data Privacy and GDPR are conducted to foster a culture of awareness and responsibility among its employees. GDPR awareness is an integral part of the employee induction program.

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

**Currency Risk**

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

**Internal Control Systems and their Adequacy**

Datamatics has mechanisms in place to establish and maintain adequate internal controls over all operational and financial functions. The Company intends to undertake further measures as

necessary in line with its intent to adhere to procedures, guidelines, and regulations as applicable in a transparent manner.

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

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

**G. Outlook**

The world has never experienced a challenge like the one faced today. Unlike the economic crises of the past, which primarily impacted consumer demand, the COVID-19 pandemic and

corresponding lockdowns have disrupted the supply chain as well as has resulted in global financial markets meltdown. Demand can be boosted through Government spends and stimulus; however, reviving the supply chain will be a herculean task. Consequently, the world will go through a period of a prolonged recovery.

It is too early to be able to predict the overall economic impact and the period it may take to get the pandemic under control. Several companies across every industry are experiencing a severe slowdown in their business. However, with a diversified customer base across multiple industries, Datamatics believes that the company is better prepared to face the challenge. Under these circumstances, the top priorities of Datamatics as an organization are:

1. Employee well-being
2. Focus on customers & retention
3. Manage cash flows & liquidity

**Employee well-being** is of foremost importance for Datamatics. Protecting the health and life of all Datamaticians and their families occupies center stage. At a company level, Datamatics is implementing all the guidelines recommended by the Government to ensure the safety and well-being of employees and to reduce the spread of the pandemic in the society at large.

**Focus on customers.** Servicing and retaining all Datamatics customers is of paramount importance. The current crisis and lockdowns with short notices have put high pressure on the company to deliver to customers. Datamatics has enabled over 99% of employees to work-from-home in a matter of very few days.

With the onset of a global economic slowdown, many Datamatics customers will come under stress with their business shrinking. It will naturally cause their priorities to change towards scaling back, conserving cash and exploring ways of becoming more efficient by leveraging digital technologies, and perhaps redesign their core business. As customers adopt digital technologies to drive their businesses, it provides an excellent opportunity to partner with them in implementing digital transformation solutions that would enable them to remain competitive.

**Managing cash-flow** is a top priority for the company. The Datamatics Management team is keeping a keen eye on cash flow, taking all the necessary efforts to actively conserve cash and curtail all discretionary spends and look at alternative way to operate

**Looking ahead,** Datamatics will continue to focus on technologies, such as Intelligent Data Capture, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence. These digital technologies are some of the thrust areas for Datamatics and the company is investing in developing intelligent innovative solutions in these areas.

Datamatics will continue to invest in developing as well as updating its own IP solutions in the digital technology space. Datamatics is aggressively expanding its partner network and believes that the evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP solutions globally.

In addition to digital technologies, Datamatics has been focusing on areas, such as Automated Fare Collection and Smart Cities as growth areas in India as well as across the globe and will continue the focus.

To help enterprises navigate the business risk and mitigate their productivity losses, Datamatics has launched 'COVID-19 Enterprise Support Program'. Under this program, Datamatics is offering free use of three TruBots until 30th September 2020. With this program, the Company aims to help the enterprises mitigate business risks and successfully manage their operations remotely by using Datamatics TruBot. The Company has seen a good response to this program not only from the existing customers, but also from the other enterprises, which are using RPA for the first time.

Datamatics is well prepared to address the challenge posed by COVID-19 pandemic and is confident that as the world emerges from the pandemic, the company will come out stronger than ever and more resilient.

# Report on Corporate Governance

## I. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

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

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

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

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

## II. BOARD OF DIRECTORS

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

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

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

Currently, the Board of Directors comprises of eight eminent persons of proven competence and integrity. The names and category of Directors on Board of the Company, name of the listed entities in which the Director is a Director and number of Directorships / Committee Membership(s) / Chairmanship(s) held by them in other Companies as on March 31, 2020 is summarized as under:

| Name | Category | Directorship(s)/Committee Membership(s)/ Chairmanship(s) | | | Directorship in other listed entities |
|---|---|---|---|---|---|
| | | Directorship(s) *(see note no.1 )* | Committee Membership(s) *(see note no. 2)* | Chairmanship(s) *(see note no. 2)* | |
| **EXECUTIVE DIRECTORS** | | | | | |
| Dr. Lalit S. Kanodia Chairman & Whole -Time Director | Promoter Non-Independent | 6 | -- | -- | RPG Life Sciences Limited, Independent Director |
| Mr. Rahul L. Kanodia Vice Chairman & CEO | Promoter Group Non-Independent | 5 | -- | -- | Safari Industries (India) Limited, Independent Director |
| **NON-EXECUTIVE DIRECTORS** | | | | | |
| Mr. Sameer L. Kanodia# | Promoter Group Non-Independent | 4 | 1 | -- | NA |
| Mrs. Asha L. Kanodia^ | Promoter & Non-Independent | - | - | - | NA |
| Mr. R. K. Saraswat | Independent | 4 | 1 | 3 | • Priya International Limited, Independent Director;<br>• Priya Limited, Independent Director.<br>• Vinati Organics Limited, Independent Director |
| Mrs. Mona Bhide* | Independent | 2 | 1 | 1 | • Vinati Organics Limited; Non-Executive Independent Director<br>• GIC Housing Finance Limited; Non-Executive Independent Director |
| Mr. Dilip D. Dandekar | Independent | 6 | 2 | -- | • Kokuyo Camlin Limited; Executive Director<br>• Camlin Fine Sciences Limited Non-Executive Non-Independent Director |
| Mr. Vinay M. Aggarwal | Independent | -- | -- | -- | NA |

# Mr. Sameer L. Kanodia has resigned from the position of Whole-Time Director of the Company w.e.f. May 9, 2019 and his designation has been changed from Whole -Time Director to Non-Executive Director of the Company.
^Mrs. Asha L. Kanodia had resigned from her position as Non-Executive Director of the Company w.e.f. March 2, 2020 due to pre occupation. She is currently appointed by the Board of Director as an Additional Director designated as Non Executve Non Independent Director of the Company w.e.f. September 10, 2020.
* Mrs. Mona Bhide has been appointed on the Board by circular resolution w.e.f. December 20, 2019 as an Additional Director (Non-Executive Woman Independent Director).

**Notes:**

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

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

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

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

**b. Board Meeting and Procedures:**

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

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

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

During the financial year 2019-20, 5 (five) Board Meetings were held on **May 09, 2019; August 13, 2019; November 13, 2019; December 11, 2019; and January 30, 2020.** The necessary quorum was present for all the meetings. With reference to the Regulation 17 of the SEBI Listing Regulations, the gap between the two Board Meetings has not exceeded One Hundred and Twenty Days.

The attendance of each Director at the Board Meetings for the financial year 2019-20 and the last Annual General Meeting is detailed as under:

| Name of the Director | Board Meetings | | Attendance at the last Annual General Meeting held on August 13, 2019 |
|---|---|---|---|
| | Held | Attended | |
| Dr. Lalit S. Kanodia | 5 | 4 | No |
| Mr. Rahul L. Kanodia | 5 | 5 | Yes |
| Mr. Sameer L. Kanodia | 5 | 5 | Yes |
| Mr. R. K. Saraswat | 5 | 5 | Yes |
| Mr. Shahzaad S. Dalal* | 5 | 2 | Yes |
| Mr. Dilip D. Dandekar | 5 | 5 | Yes |
| Mrs. Asha L. Kanodia ** | 5 | 4 | No |
| Mr. Vinay M. Aggarwal | 5 | 5 | Yes |
| Mrs. Mona Bhide*** | 5 | 1 | NA |

* Mr. Shahzaad S. Dalal's term as an Independent Director got completed on September 22, 2019.

**Mrs. Asha L. Kanodia had resigned from her position as Non-Executive Director of the Company w.e.f. March 2, 2020 due to pre occupation. She is currently appointed by the Board of Director as an Additional Director designated as Non Executve Non Independent Director of the Company w.e.f. September 10, 2020.

*** Mrs. Mona Bhide has been appointed on the Board by circular resolution w.e.f. December 20, 2019 as an Additional Director (Non-Executive Woman Independent Director)

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

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

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

- Mr. R. K. Saraswat is holding 1,000 shares in the Company.
- Mr. Sameer L. Kanodia is holding 14,72,858 shares in the Company.
- Mrs. Asha L. Kanodia is holding 33,05,258 shares in the Company.
- Mr. Shahzaad S. Dalal was holding 2,000 shares in the Company as on the date of the cessation of his term as an Independent Director on September 22, 2019.

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

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

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

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

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

| Sr. No. | Key qualifications, skills and Attributes |
|---|---|
| A1 | General Management and Business Operations |
| A2 | Thought Leadership |
| A3 | CEO/Senior Management Experience |
| A4 | IT Industry |
| A5 | Public Policy/Governmental Regulations |
| A6 | Accounting/Finance/Legal |
| A7 | Risk Management |
| A8 | Human Resources Management |
| A9 | Strategy/M&A/Restructuring |
| A10 | Corporate Governance |
| A11 | Business Development/Sales/Marketing |
| A12 | International Business |

| Name of Director | A1 | A2 | A3 | A4 | A5 | A6 | A7 | A8 | A9 | A10 | A11 | A12 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Dr. Lalit S. Kanodia | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Mr. Rahul L. Kanodia | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Mr. Sameer L. Kanodia | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ | √ |
| Mr. R. K. Saraswat | √ | √ | √ | √ | √ | √ | | | √ | √ | √ | √ |
| Mr. Dilip D. Dandekar | √ | √ | √ | | √ | √ | √ | | √ | √ | √ | √ |
| Mr. Vinay M. Aggarwal | √ | √ | √ | √ | √ | √ | √ | | √ | √ | √ | √ |
| Mrs. Mona Bhide | √ | √ | √ | | √ | √ | √ | | √ | √ | √ | √ |

## III. COMMITTEES OF THE BOARD:

Currently, the Board has the following four committees:

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

## AUDIT COMMITTEE

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

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

### ▪ Description of Terms of Reference:

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

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

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

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

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

- Compliance with the laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.

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

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

vi. Scrutiny of inter corporate loans and investments;

vii. Valuation of undertaking and assets;

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

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

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

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

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

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

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

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

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

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

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

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

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

The Audit Committee currently comprises of 4 (four) members i.e. 3 (three) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman), Mr. Dilip Dandekar and Mr. Vinay M. Aggarwal and 1 (One) Executive Director viz. Mr. Rahul L. Kanodia.

Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Audit Committee also ceased w.e.f. September 22, 2019.

Mr. Dilip D. Dandekar was appointed as the member of the Audit Committee in the Board meeting held on November 13, 2019.

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

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

### ▪ Meetings and Attendance during the year:

During the year under review, the Committee met 4 (Four) times on **May 09, 2019; August 13, 2019; November 13, 2019; and January 30, 2020** and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended the last AGM held on August 13, 2019.

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

| Name | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. R. K. Saraswat | Independent | Chairman | 4 | 4 |
| Mr. Vinay M. Aggarwal | Independent | Member | 4 | 4 |
| Mr. Rahul L. Kanodia | Non-Independent | Member | 4 | 4 |
| Mr. Shahzaad S. Dalal* | Independent | Member | 4 | 2 |
| Mr. Dilip D. Dandekar** | Independent | Member | 4 | 1 |

* Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Audit Committee also ceased w.e.f. September 22, 2019.

**Mr. Dilip D. Dandekar was appointed as the member of the Audit Committee in the Board meeting held on November 13, 2019.

## NOMINATION AND REMUNERATION COMMITTEE (N&RC)

The Nomination and Remuneration Committee is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The role of this committee and the information reviewed by it is as per Part D of Schedule II of SEBI Listing Regulations.

### • Description of Terms of Reference:

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

i. Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions,

with a variety of perspectives and skills;

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

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

iv. Devising a policy on diversity of Board of Directors;

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

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

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

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

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

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

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

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

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

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

The Nomination and Remuneration Committee (N&RC) comprises of 3 (three) members i.e. Mr. R. K. Saraswat (Chairman, being Non-Executive Independent Director), 1(one) Executive Director viz. Dr. Lalit S. Kanodia and 1(one) Non-Executive Director viz. Mr. Vinay M. Aggarwal.

Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Nomination and Remuneration Committee also ceased w.e.f. September 22, 2019.

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

### ▪ Meetings and Attendance during the year:

During the year under review, the Committee met 3 (three) times on **May 09, 2019, August 13, 2019 and January 30, 2020.** The Chairman of the Nomination and Remuneration Committee attended the last AGM held on August 13, 2019.

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

| Name | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. R. K. Saraswat | Independent | Chairman | 3 | 3 |
| Dr. Lalit S. Kanodia | Non-Independent | Member | 3 | 3 |
| Mr. Vinay M. Aggarwal | Independent | Member | 3 | 3 |
| Mr. Shahzaad Dalal* | Independent | Member | 3 | 1 |

* Mr. Shahzaad Dalal's term as an Independent Director got completed on September 22, 2019 and hence his membership from the Nomination and Remuneration Committee also ceased w.e.f. September 22, 2019.

### ▪ Performance evaluation criteria for Independent Directors:

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

## STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The role of the Stakeholders Relationship Committee is as specified in Part D of Schedule II which includes - to consider and resolve the grievances of the security holders including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

### ▪ Description of Terms of Reference:

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

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

ii. Review of measures taken for effective exercise of voting rights by shareholders;

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

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

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

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

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

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

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

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

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

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

The Stakeholders Committee comprises of 3 (three) members i.e. 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman) and Mr. Vinay M. Aggarwal and 1 (one) Executive Director viz. Mr. Rahul L. Kanodia.

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

### ▪ Meetings and Attendance during the year:

During the year under review, the Committee met 4 (Four) times on **May 09, 2019, August 13, 2019, November 13, 2019 and January 30, 2020.** The Chairman of the Stakeholders Committee attended the last AGM held on August 13, 2019.

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

| Name | Category | Designation | No. of Meetings | |
|---|---|---|---|---|
| | | | Held | Attended |
| Mr. R. K. Saraswat | Independent | Chairman | 4 | 4 |
| Mr. Vinay M. Aggarwal | Independent | Member | 4 | 4 |
| Mr. Rahul L. Kanodia | Executive Director | Member | 4 | 4 |

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

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

### ▪ The details of shareholders grievances received and resolved during FY 2019 -20 is given below:

| Sr. No. | Nature of Complaints | Opening | Received | Resolved | Pending |
|---|---|---|---|---|---|
| 1. | Non-receipt of Dividend, and Misc. | 0 | 17 | 17 | 0 |
| 2. | Non-receipt of Annual Reports/ Notices | 0 | 1 | 1 | 0 |
| 3. | Others | 0 | 2 | 2 | 0 |
| **Total** | | NIL | 20 | 20 | NIL |

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

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

### • Description of terms of reference:

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

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

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

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

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

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

The CSR Committee of the Board of Directors comprises of 3 (three) members i.e. 1 (one) Executive Director viz. Mr. Rahul L. Kanodia (Chairman) and 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat and Mr. Sameer L. Kanodia. The Company Secretary of the Company acts as the Secretary of the Committee.

### ▪ Meetings and Attendance during the year:

During the year under review, 1 (One) meeting was held on **May 09, 2019**. The Chairman of the CSR Committee attended the last AGM held on August 13, 2019.

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

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

## IV. Remuneration of Directors:

### A. Remuneration Policy:

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

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

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

iii. Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and

incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

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

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

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

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

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

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

The details of remuneration paid to the Directors during the financial year 2019-20 is given in Form MGT-9 which is annexed to the Board's report:

1. Details of fixed component and performance linked incentives along with performance criteria:
   a. The remuneration to the Executive Directors is determined by N&RC and the same is recommended to the Board for their approval. The said remuneration is subject to approval of the shareholders and Central Government, if required. The details of the said remuneration is given in Form MGT -9 which is annexed to the Board's Report;
   b. Annual increment of the Executive Directors is determined on the basis of the recommendations of N&RC which is within the overall limit for remuneration as approved by the shareholders.
2. Terms of Appointment of Executive Directors:
   a. Appointment of the Executive Directors is done for a maximum period of 5 (five) years as per provisions of the Act;
   b. Resignation from the position of Executive Directorship is addressed to the Board of Directors;
   c. All element of remuneration package summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc. are given in Form MGT-9 which is annexed to the Board's Report.

## V. INDEPENDENT DIRECTORS MEETING:

Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on January 30, 2020, without the presence of Non-Independent Directors and Members of Management, to consider, inter alia, the following: (a) review the performance of Non-independent Directors and the Board as a whole; (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors; (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All Independent Directors were present in the Meeting and the Meeting was chaired by Mr. R. K. Saraswat.

## VI. GENERAL BODY MEETINGS:

**A. Details of Annual General Meetings held during last 3 (three) years, and the special resolution(s) passed thereat, are as follows:**

| Year | Date of Meeting | Time | Place of Meeting | Details of Special Resolution(s) passed |
|---|---|---|---|---|
| 2016-17 | September 14, 2017 | 11.00 a.m. | Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020. | No Special Resolution passed. |
| 2017-18 | August 14, 2018 | 4.00 p.m. | | No Special Resolution passed. |
| 2018-19 | August 13, 2019 | 2.00 p.m. | | 1. Re-appointment of Mr. R. K. Saraswat as an Independent Director<br>2. Re-appointment of Mr. Dilip D. Dandekar as an Independent Director<br>3. Approval for payment of commission to Non Executive directors of the Company<br>4. Payment of remuneration to Dr. Lalit S. Kanodia exceeding limits as per Regulation 17 (6)(e) of SEBI(LODR) Regulations, 2015.<br>5. Payment of remuneration to Mr. Rahul L. Kanodia exceeding limits as per Regulation 17 (6)(e) of SEBI(LODR) Regulations, 2015. |

**B. Extraordinary General Meeting:**

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

**C. Postal Ballot:**

Details of resolution passed through postal ballot during the year under review are as follow:

- Approval of the Shareholders was sought through notice of postal ballot dated March 18, 2019 for approving the Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and the Company. Mr. Ashish Bhatt, practicing Company Secretary was appointed as Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The Voting details and consolidated scrutinizer report are available on the website of the Company and Stock Exchanges.

- Approval of the Shareholders by way of Special Resolution was sought through notice of postal ballot dated December 11, 2019 for approving Sale of 100% shares in CIGNEX Datamatics Inc. (a corporation headquartered in the USA) indirectly held by the Company through CIGNEX Datamatics Corporation (a company incorporated under the laws of British Virgin Islands). Mr. Tushar Shridharani, Practicing Company Secretary was appointed as Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner. The Voting details and consolidated scrutinizer report are available on the website of the Company and Stock Exchanges.

- The above mentioned postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder.

- None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## VII. MEANS OF COMMUNICATION:

- **Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Financial Express' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: www.datamatics.com.

- **Website: The Company's website:** www.datamatics.com contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.

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

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

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

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

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

## VIII. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the financial year 2019-20 as per the requirement of the SEBI Listing Regulations, is given in a separate section forming part of the Annual Report.

## IX. WEBSITE:

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

a. Details of business;

b. Terms and conditions of appointment of Independent Directors;

c. Corporate Announcement;

d. Composition of various committees of Board of Directors;

e. Code of conduct of Board of Directors and Senior Management Personnel;

f. Details of establishment of Vigil Mechanism/ Whistle Blower policy;

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

h. Policy on dealing with Related Party transactions;

i. Policy for determining 'Material' subsidiaries;

j. Details of familiarization programmes imparted to Independent Directors;

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

l. Financial information;

m. Shareholding pattern.

n. Other information as required under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015

## X. GENERAL SHAREHOLDER INFORMATION

**a) 32nd Annual General Meeting:**

| | | |
|---|---|---|
| Day | : | Saturday |
| Date | : | December 26, 2020 |
| Time | : | 11.30 a.m. |
| Venue | : | The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.. |

**b) Financial Year:**

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

**c) Date of Book Closure:**

As mentioned in the Notice of this AGM

**d) Listing on Stock Exchange:**

The equity shares of the Company are listed at:

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

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

The listing fees and custodial fees for the financial year 2019-20 have been paid by your Company within the stipulated time.

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

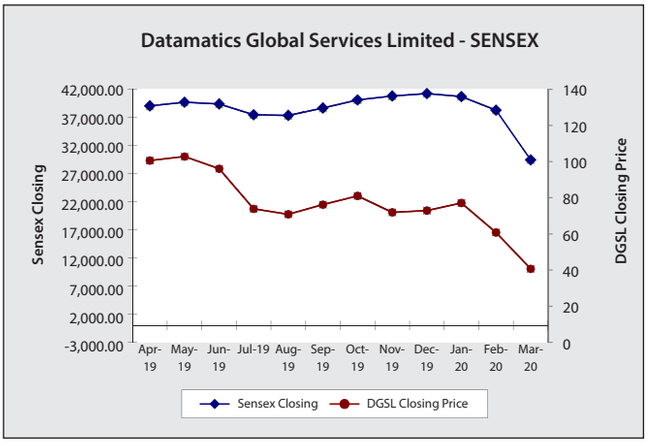
| BSE LIMITED | National Stock Exchange of India Limited | ISIN | CIN |
|---|---|---|---|
| 532528; DATAMATICS | DATAMATICS | INE365B01017 | L72200MH1987PLC045205 |

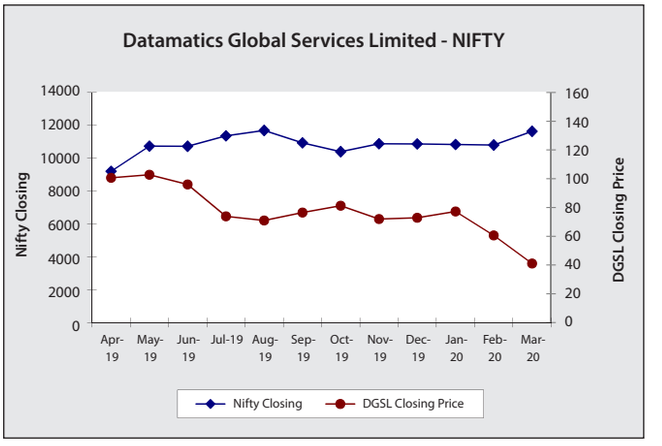
**g) Market Price Data:**

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

| Month | BSE Limited | | National Stock Exchange of India Limited | |
|---|---|---|---|---|
| | High | Low | High | Low |
| April – 2019 | 110.5 | 97.5 | 110.5 | 97.15 |
| May – 2019 | 116 | 89.5 | 116.2 | 89.25 |
| June – 2019 | 105.9 | 91.7 | 105.95 | 91 |
| July – 2019 | 98.35 | 71.5 | 99.8 | 69.05 |
| August – 2019 | 80 | 63 | 79.95 | 63 |
| September – 2019 | 90.9 | 69.75 | 90.8 | 69.15 |
| October – 2019 | 82.35 | 70.1 | 82.1 | 69.75 |
| November – 2019 | 81.95 | 68.5 | 83.25 | 68.6 |
| December – 2019 | 74.45 | 66.9 | 74.7 | 66.55 |
| January – 2020 | 86.25 | 69 | 86.4 | 69 |
| February – 2020 | 78.1 | 59.7 | 78.15 | 58 |
| March – 2020 | 60.7 | 28.1 | 62.45 | 27.4 |

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



**i) Registrar and Transfer Agent:**

Datamatics Business Solutions Limited (Formerly known as Datamatics Financial Services Limited)

Plot No. B-5, MIDC,

Part B, Cross Lane, Andheri (East),

Mumbai – 400 093.

Tel: 91-22-6671 2151; Fax: 91-22-6671 2250

E-mail: shares@datamaticsbpm.com

**j) Share Transfer System:**

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

**k) Shareholding as on March 31, 2020:**

Distribution of equity shareholding as on March 31, 2020:

| Sr. No. | Shares Range | | Shares | % To Capital | No. Of Holders | % To No. Of Holders |
|---|---|---|---|---|---|---|
| | From | To | | | | |
| 1 | 1 | 1000 | 3335467 | 5.66 | 18599 | 92.19 |
| 2 | 1001 | 2000 | 1155316 | 1.96 | 750 | 3.72 |
| 3 | 2001 | 4000 | 1109442 | 1.88 | 381 | 1.89 |
| 4 | 4001 | 6000 | 906139 | 1.54 | 181 | 0.90 |
| 5 | 6001 | 8000 | 427158 | 0.73 | 61 | 0.30 |
| 6 | 8001 | 10000 | 457074 | 0.78 | 49 | 0.24 |
| 7 | 10001 | 20000 | 1135896 | 1.93 | 82 | 0.41 |
| 8 | 20001 | 99999999999 | 50422845 | 85.54 | 72 | 0.36 |
| | **TOTAL** | | 58949337 | 100.00 | 20175 | 100.00 |

Categories of equity shareholders as on March 31, 2020:

| Category | No. of shares* | % of Shareholding* |
|---|---|---|
| Promoters & Promoter Group | 4,37,20,820 | 74.16 |
| Foreign Portfolio Investor | 1,40,700 | 0.24 |
| Banks and Financial Institution | 56,315 | 0.10 |
| Individuals | 1,29,00,308 | 21.89 |
| NBFC registered with SEBI | 91 | 00.00 |
| NRI | 5,90,830 | 1.00 |
| Trust | 65 | 0.00 |
| Bodies Corporate | 13,97,665 | 2.37 |
| Clearing Member | 65,018 | 0.11 |
| Foreign Nationals | 18,000 | 0.03 |
| IEPF | 59525 | 0.10 |
| Total | 58,949,337 | 100.00 |

* The shareholding disclosed above is as per the BENPOS data received from the company's RTA M/s. Datamatics Business Solutions Limited as on March 31, 2020.

However, Dr. Lalit S. Kanodia (Promoter) had purchased 38,033 & 34,848 shares of the Company on March 30, 2020 and March 31, 2020 totaling to 72,881 shares (0.13%) which has not been captured in the BENPOS data.

Disclosure pertaining to the above transactions were made by the Company with BSE & NSE as per Insider trading regulations.

**l) Unpaid/Unclaimed Dividend:**

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

Shareholders of the Company who have not received or encashed their dividend warrants for the financial years, as mentioned below, are requested to claim the unpaid/

unclaimed dividend from the Company before its transfer to the above mentioned Fund:

| Year of Declaration | Date of Declaration | Interim/Final | Rate of Dividend (In ₹) | Date of Transfer to IEPF |
|---|---|---|---|---|
| 2012-13 | September 24, 2013 | Final | ₹1.00 per share | October 23, 2020 |
| 2013-14 | September 23, 2014 | Final | ₹1.25 per share | October 22, 2021 |
| 2014-15 | September 23, 2014 | Interim | ₹0.35 per share | October 22, 2021 |
| 2014-15 | August 28, 2015 | Final | ₹0.65 per share | September 27, 2022 |
| 2015-16 | March 21, 2016 | Interim | ₹0.50 per share | April 20, 2023 |
| 2015-16 | September 15, 2016 | Final | ₹0.25 per share | October 14, 2023 |
| 2016-17 | September 14, 2017 | Final | ₹0.75 per share | October 13, 2024 |
| 2017-18 | March 21, 2018 | Interim | ₹0.50 per share | April 20, 2025 |
| 2017-18 | August 14, 2018 | Final | ₹0.25 per share | September 13, 2025 |
| 2018-19 | August 13, 2019 | Final | ₹1.00 per share | September 12, 2026 |

Note : An amount of ₹ 1,72,709/- lying in the Unpaid Dividend Account for the Financial Year 2011-12, has been transferred to IEPF account on November 11, 2019, the details of which is available on the website of the Company.

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

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

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

During the financial year, the Company had transferred 13,396 shares to IEPF. Details of these shares are available on the Company's website www.datamatics.com.

The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website www.datamatics.com.

**n) Updation of KYC details**

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

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

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL]. The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN allotted to the Company is INE365B01017. As on March 31, 2020, 5,88,69,149 Equity Shares out of 58,949,337 Equity Shares of the Company, constituting 99.86% of the Company's paid-up capital are held in the dematerialized form. Share dematerialized upto March 31, 2020 are as under.

| Particulars | As on March 31, 2020 | |
|---|---|---|
| | No. of Shares | % |
| Shares in Demat form | 588,69,149 | 99.86 |
| - NSDL | 1,92,72,138 | 32.69 |
| - CDSL | 3,95,97,011 | 67.17 |
| Shares in Physical Form | 80,188 | 0.14 |
| Total | 58,949,337 | 100 |

**p) ADRs/GDRs/Warrants:**

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

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

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

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

**r) Office Locations:**

| INDIA | |
|---|---|
| Registered Office:<br>Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093. | |
| Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096. | Unit No. 189-190-, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096. |
| Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096. | 701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096. |
| Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096. | Unit No. 172, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096. |
| Unit No. 105, Multistoried Building, 1st Floor, SEEPZ – SEZ, Andheri (E), Mumbai - 400 096. | The Great Oasis, 5th Floor, Plot No, D-13, Road No. 21 MIDC, Andheri (E), Mumbai - 400 093. |
| 13/338, Sector, Sector 13, Indira Nagar, Lucknow, UP - 226010 | No. 334, 4th Floor, 27th Main Road, 2nd Sector, HSR Layout, Bangalore - 560 102 |
| 6th floor, Eucharistic Congress Building No. III, C.S. No. 445, Ward A 885 (1A-1B) 5 Convent Street, Colaba, Mumbai 400001 | Office No. 5, 2nd Floor, Tower 1, C-25, Sector 62, Stellar IT Park, Noida - 201 301 |
| Suyojit Datamatics Knowledge Center, Suyojit I.T. Park, Survey No. 804, Unit No. S1-S3, Mumbai Agra Road, Nashik - 422 002. | Plot No 29-34, East Coast Road (100 Feet Road), Saram Revenue Village, Oulgaret Municipality, Lawspet Post, Puducherry - 605008. |
| RR Towers III, 3rd floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032. | Ground Floor President Plaza, Opp. Muktidham Derasar, Thaltej Cross Road, S.G Highway, Ahmedabad -380 054, Gujarat. |
| Unit No. A-4 and A-3, 2nd Floor, Tower C, Centrum Plaza, Golf Course Road, Sector – 53, Gurgaon. | 91 Springboard, Creaticity Mall, Opp. Golf Course, Shashtrinagar, Yerwada, Pune 411006. |
| "RJ Grand" R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry – 605008. | 9th Floor, CITIUS A Block, Phase 1, Olympia Tech Park, Plot No. 1, SIDCO Industrial Estate, Guindy, Chennai – 600032. |
| Cessna Business Park, Embassy Signet Building, 4th Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Banglore – 560103. | Madhapur LVS Arcade 71, Jubilee Enclave, HITEC City, Hyderabad. Telangana 500081 |
| 12th Floor, Phase II, Ascendas IT Park, CSIR Road, Taramani, Chennai - 600 113, Tamil Nadu. | 74II, 91 Spring Board Business Hub Pvt. Ltd., 5th Floor, C Cross Road, OPP. Gate No.2, Mumbai – 400 093. |
| No.10, Vazhudavoor Road, Pettaiyanchathiram, Thattanchavadi, Puducherry - 605 009 | Office No. 607, A-40, Sector 62, Noida, Uttar Pradesh, 201309, India. |

| OVERSEAS | |
|---|---|
| Suite # 400, 31572 Industrial Road, Livonia, MI – 48150. | 3rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius. |
| Suite # 220, 56 Middlesex Turnpike, Burlington, MA – 01803 | 1, Doughty Street, London, WC1N2PH. |
| Suite #390, 510 Thornall Street, Edison, NJ – 08837. | Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverlly, Victoria 3150, Australia. |
| Unit No. 115, First Floor, Publishing Pavilion, Dubai, UAE. | Office 3201, 32nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE PO Box: 501755. |
| 268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom. | 600 Cordwainer Drive, Unit 103. Norwell MA 02061 |
| 4 Shenton Way, #08-03 SGX Centre II, Singapore 068807. | MSG Rechtsanwalte & Notare, Vortstadt 32, 6304, Zug, Switzerland, |
| 153 Milton Keynes Business Centre, Foxhunter Drive, Linford Wood, Milton Keynes, Buckinghamshire, United Kingdom, MK14 6GD | 1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila. |
| Suite 302, 52 Atchison St, Leonards, NSW 2065. | 3rd Floor, Tower 1, Rockwell Business Center Ortigas Ave, Pasig City, 1600 Metro Manila, Philippines. |
| KEIZERSGRACHT 391 A, 1016 EJ, Amsterdam The Netherlands | Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands. |
| 107 Atlanta Tech Park, Suite 510, Peachtree Corners, Atlanta, GA 30092 | C/O ARNECKE SIBETH DABELSTEIN, Rechtsanwälte Steuerberater, Partnerschaftsgesellschaft mbB, Oberanger 34-36, 8 0331 Munich. |
| 4633 Old Ironsides, Dr. Ste 109, Santa Clara, CA 95054, USA | |

**s) Address for Correspondence**

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

## XI. DISCLOSURES

**a) Materially significant related party transactions:**

During the financial year 2019-2020, the Company has not entered into any material transactions with any of its related parties that may have potential conflict with the interests of the Company at large. The related party transactions entered into with the related parties as defined under the Act and with the SEBI Listing Regulations, during the financial year were in the ordinary course of business and at an arm's length basis and the same has been approved by the Audit Committee. The details of transactions with related parties are disclosed in the Notes to accounts of the Standalone Financial Statements. The Board of Directors have approved a policy for related party transactions which has been uploaded on the Company's website: http://www.datamatics.com/investors/corporate-governance

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

During the year, Company received notices from Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. respectively through letter dated August 7, 2019, for non-compliance of Listing Regulation 13 (3) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, pertaining to submission of statement of shareholders complaints within 21 days from end of each quarter. The Company has always been meticulous in complying with the SEBI regulations and other applicable laws but the submission of Investor Complaints for quarter ended June 30, 2019 was inadvertently delayed. The fine of ₹ 2360/- each was paid to Bombay Stock Exchange Limited and National Stock Exchange of India Ltd. respectively and the said information was placed before the Board of Directors at its meeting held on August 13, 2019.

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

**c) Whistleblower/Vigil Mechanism:**

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

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

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

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

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

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

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

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

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

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

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

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

**h) CEO & CFO Certification:**

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

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

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

(₹ In Million)

| Type of Service | FY 2019-20 | FY 2018-19 |
|---|---|---|
| Audit Fees* | 7.95 | 8.57 |
| Tax Fees | 2.95 | 2.73 |
| Others | 0.60 | 1.20 |
| Total | **11.50** | 12.49 |

*Includes audit and audit related services

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

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

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

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

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

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

## XIII. Declaration by CEO:

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

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

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

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed under the said rules. At the end of the year, i.e., as at March 31, 2020, 59,525 equity shares were lying in the IEPF.

**Declaration by the CEO**

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Datamatics – Code of Conduct and Ethics for the financial year ended March 31, 2020.

May 14, 2020
Mumbai.

Rahul L. Kanodia
Vice-Chairman & CEO

## AUDITORS' CERTIFICATE

To,

The Members of
**Datamatics Global Services Limited**

We have examined the compliance of conditions of Corporate Governance by Datamatics Global Services Limited ('the Company') for the year ended March 31, 2020, as stipulated under regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations for the year ended on March 31, 2020.

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

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

**Ashishkumar Bairagra**
Partner
Membership No.: 109931
UDIN: 20109931AAAAAT4747

Place : Mumbai
Date : May 30, 2020

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

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

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

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

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

In my opinion and to the best of my information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

| Sr. No. | Name of Director | DIN | Date of appointment in Company |
|---|---|---|---|
| 1. | Dr. Lalit Surajmal Kanodia | 00008050 | 03-11-1987 |
| 2. | Mr. Sameer Lalit Kanodia | 00008232 | 30-01-2008 |
| 3. | Mr. Radhakrishna Kunjlal Saraswat | 00015095 | 26-11-1998 |
| 4. | Mr. Vinay Mulkhraj Aggarwal | 00030483 | 27-05-2015 |
| 5. | Mr. Rahul Lalit Kanodia | 00075801 | 28-09-2007 |
| 6. | Mr. Dilip Digambar Dandekar | 00846901 | 12-08-2014 |
| 7. | Mrs. Mona Bhide | 05203026 | 20-12-2019 |

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

Place: Mumbai
Date: May 30, 2020

**Tushar Shridharani**
FCS 2690 / COP 2190
UDIN -F002690B000301527

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

To,

The Members of **DATAMATICS GLOBAL SERVICES LIMITED**

**Report on the Audit of the Consolidated Financial Statements**

## Opinion

We have audited the accompanying consolidated financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its joint venture listed in Annexure A, which comprise the Consolidated Balance Sheet as at March 31, 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information ("the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Company as at March 31, 2020, their consolidated profit, the consolidated other comprehensive income, their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

| Key Audit Matter | Auditor's Response |
|---|---|
| **A. Revenue recognition in respect of fixed price contract** | |
| The Company inter alia engages in fixed price contracts, wherein revenue is recognized using the percentage of completion method based on the company's estimate of contract cost. We identified revenue recognition of fixed price contract as a Key Audit Matter since:<br>• accuracy and existence of revenues and onerous obligations, in respect of fixed price contracts, involves critical estimates.<br>• these estimates have high inherent uncertainty as it requires determination of the progress of the contract, costs incurred till date and future costs required to complete the remaining contract and performance obligations.<br>• estimate of costs is a critical estimate to determine the revenues and liability for a contract and these contracts may involve onerous obligations which require critical assessment of future costs.<br>• at the year-end significant amount of unbilled revenue is recognized on the balance sheet date. | Our audit procedures included discussion with the management to obtain an understanding of the systems, processes and controls implemented by the Company for recording and computing the costs, revenue and other estimates associated with such contracts. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>• we evaluated the design of internal controls relating to recording of costs incurred and estimate of costs required to complete the performance obligations.<br>• we tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of costs incurred.<br>• we selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimate of costs, through the inspection of performance of these controls.<br>• we selected a sample of contracts and performed a retrospective review of costs incurred with estimate of costs to identify significant variations and verify whether those variations have been considered in estimating the future costs required to complete the contract.<br>• we reviewed a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations.<br>• we performed analytical procedures and test of details for reasonableness of incurred and estimated costs. |

| Key Audit Matter | Auditor's Response |
|---|---|
| **B. Carrying Value of Goodwill** | |
| The Group has goodwill of ₹ 2,030.81 million in respect of some of its Cash Generating Units. The Group is required to annually test the amount of goodwill for impairment. This annual impairment testing was significant to our audit because the balance of ₹ 2,030.81 million as of March 31, 2020 is material to the financial statements. The determination of recoverable amount requires judgment on the part of the management with respect to future revenue, estimated profit, discount rate and hence the assessment process is highly subjective and is based on assumptions. | We evaluated the appropriateness of management identification of Cash Generating Units and the continued satisfactory operation of the Holding Company's internal controls over the whole process. Our procedures included discussion with the management of the Holding Company on the suitability of the impairment model and reasonableness of the assumptions. Our review included the below:<br>• Benchmarking the Holding Company's key assumptions with industry comparables, the assumptions made in the prior years and also comparing the margin and revenue trend with the actual results relating to previous forecasts.<br>• We reviewed the Holding Company's management's impairment assessment and reviewed the calculation methodology and sources for key assumptions.<br>• We reviewed the key assumptions, being the cash flows, growth assumptions and discount rates.<br>• We performed sensitivity analysis over significant assumptions used in the models to ascertain the point at which impairment would be triggered and considered the likelihood of such a change.<br>• We reviewed the disclosure in the consolidated financial statements in respect of the Holding Company's management's impairment testing to confirm that these are consistent with the conclusions of our audit work and meet the disclosure requirements of the relevant accounting standards. |

**Other Information**

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements if the subsidiaries and joint venture audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries and joint venture is traced from their financial statements audited by the other auditors. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

The Holding Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group and its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") specified under section 133 of the Act. The respective company's management and Board of Directors of the companies included in the Group and of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each entity and of its joint venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management and Board of Directors of the Holding Company, as aforesaid.

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

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

**Auditor's Responsibility for the Audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint venture to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Other Matters**

(a) We did not audit the financial statements / financial information of fourteen subsidiaries (including nine step down subsidiaries), and one joint venture, whose financial statements / financial information reflect unconsolidated total assets of ₹ 9,818.67 million as at March 31, 2020, unconsolidated total revenues of ₹ 8,882.47 million, unconsolidated other comprehensive income of ₹ 489.74 million, unconsolidated net profit after tax of ₹ 369.17 million and unconsolidated net cash inflows amounting to ₹ 830.25 million for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements, in respect of a joint venture include the Group's share of net profit of ₹ 12.16 million and other comprehensive income of ₹ 12.04 million, whose financial statements / financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries are based solely on the reports of the other auditors.

(b) We did not audit the financial statements / financial information of ten subsidiaries (including nine step down subsidiaries), whose financial statements / financial information reflect unconsolidated total assets of ₹ 601.67 million as at March 31, 2020, unconsolidated total revenues of ₹ 1,066.72 million, unconsolidated other comprehensive income of ₹ 80.95 million, unconsolidated net profit after tax of ₹ 9.46 million and unconsolidated net cash inflows amounting to ₹ 86.33 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information are unaudited and have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, is based solely on such unaudited financial

statements / financial information. In our opinion and according to the information and explanations given to us by the management of the Holding Company, these unaudited financial statements / financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the unaudited financial statements / financial information certified by the management of the Holding Company.

**Report on Other Legal and Regulatory Requirements**

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements / information of the subsidiaries and its joint venture, the financial statements / information certified by the Management in the case of some subsidiaries, as noted in the paragraph on 'Other Matters':

   i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture – Refer Note No. 49 to the consolidated financial statements;

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

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

   h) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Holding Company, subsidiary companies and its joint venture incorporated in India, wherever applicable, to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company, subsidiary companies and its joint venture incorporated in India is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

**For M L BHUWANIA AND CO LLP**

Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**

Partner
Membership No. 109931
UDIN: 20109931AAAAAP1175

Place: Mumbai
Date: May 14, 2020

# Annexure A

to the Independent Auditors Report dated May 14, 2020

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

# Annexure B

TO THE INDEPENDENT AUDITORS' REPORT

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

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

**Opinion**

In conjunction with our audit of the consolidated financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Holding Company") as of and for the year ended March 31, 2020, we have audited the internal financial control over financial reporting of the Holding Company and its subsidiary companies and its joint venture, incorporated in India, wherever applicable, as of that date.

In our opinion to the best of our knowledge and according to the opinion expressed in the report of other auditors, the Holding Company, its subsidiary companies and its joint venture incorporated in India, wherever applicable, in all material respects, have an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal controls over financial reporting established by the respective companies, wherever applicable, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

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

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

**Other Matters**

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements in so far as it relates to 5 subsidiary companies and 1 joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India and the information provided by the Management.

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

**Ashishkumar Bairagra**
Partner
Membership No. 109931
UDIN: 20109931AAAAAP1175

Place: Mumbai
Date: May 14, 2020

# Consolidated Balance Sheet

as at March 31, 2020

(₹ in million)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 1,180.09 | 1,177.35 |
| Capital work-in-progress | 3 | 7.33 | 9.78 |
| Goodwill | 4 | 2,030.81 | 2,124.25 |
| Other intangible assets | 4 | 165.18 | 218.65 |
| Right-to-use assets | 4 | 172.85 | - |
| Intangible assets under development | 4 | 3.71 | 3.20 |
| Financial assets | | | |
| i. Investments | 5 | 108.14 | 113.91 |
| ii. Loans | 6 | 1.30 | 0.29 |
| iii. Other financial assets | 7 | 138.60 | 165.86 |
| Deferred tax assets | 8 (c) | 70.15 | 24.91 |
| Non-current tax assets (net) | 9 | 159.29 | 163.06 |
| Other non-current assets | 10 | 4.56 | 7.15 |
| **Total non-current assets** | | **4,042.01** | **4,008.41** |
| **Current assets** | | | |
| Financial assets | | | |
| i. Investments | 11 | 254.95 | 454.50 |
| ii. Trade receivables | 12 | 2,724.51 | 2,461.37 |
| iii. Cash and cash equivalents | 13 | 1,948.17 | 696.18 |
| iv. Bank balances other than (iii) above | 14 | 39.07 | 38.04 |
| v. Loans | 15 | 10.97 | 3.65 |
| vi. Other financial assets | 16 | 770.13 | 698.84 |
| Current tax assets (net) | 17 | 49.49 | 18.86 |
| Other current assets | 18 | 351.27 | 292.35 |
| **Total current assets** | | **6,148.56** | **4,663.79** |
| Asset held for sale | 42 (iv) | 12.50 | - |
| **Total Assets** | | **10,203.07** | **8,672.20** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 19(a) | 294.75 | 294.75 |
| Other equity | 19(b) | 6,648.27 | 6,104.81 |
| **Equity attributable to owners of Datamatics Global Services Limited** | | **6,943.02** | **6,399.56** |
| Non-controlling interests | | 220.15 | 393.67 |
| **Total equity** | | **7,163.17** | **6,793.23** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Lease liabilities | 20 | 109.44 | - |
| ii. Other financial liabilities | 21 | 52.25 | 9.47 |
| Provisions | 22 | 278.49 | 228.42 |
| **Total non-current liabilities** | | **440.18** | **237.89** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 23 | 964.64 | 358.79 |
| ii. Trade payables | 24 | | |
| Dues of micro enterprises and small enterprises | | 5.63 | 0.13 |
| Dues other than micro enterprises and small enterprises | | 891.67 | 742.14 |
| iii. Other financial liabilities | 25 | 95.21 | 126.77 |
| iv. Lease liabilities | 26 | 109.11 | - |
| Provisions | 27 | 68.46 | 36.86 |
| Current tax liabilities (net) | 28 | 33.86 | 54.92 |
| Other current liabilities | 29 | 431.14 | 321.47 |
| **Total current liabilities** | | **2,599.72** | **1,641.08** |
| **Total liabilities** | | **3,039.90** | **1,878.97** |
| **Total Equity and Liabilities** | | **10,203.07** | **8,672.20** |

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# Statement of Consolidated Profit and Loss

for the year ended March 31, 2020

(₹ in millions)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Revenue from Operations | 30 | 12,033.24 | 11,334.90 |
| Other Income | 31 | 205.10 | 108.12 |
| **Total income** | | **12,238.34** | **11,443.02** |
| **Expenses** | | | |
| Purchase of products and licenses | 32 | 169.84 | 111.49 |
| Employee Benefit Expenses | 33 | 7,750.70 | 6,891.32 |
| Finance Costs | 34 | 46.26 | 47.71 |
| Depreciation and Amortisation Expenses | 35 | 369.97 | 260.35 |
| Impairment of goodwill and other assets | 36 | 157.72 | - |
| Other Expenses | 37 | 2,876.97 | 2,993.62 |
| **Total expenses** | | **11,371.46** | **10,304.49** |
| **Profit before share of net profits of investments accounted for using the equity method and tax** | | **866.88** | **1,138.53** |
| Share of net profits of associates and joint ventures accounted for using the equity method | | 12.03 | 8.98 |
| **Profit before tax** | | **878.91** | **1,147.51** |
| Tax expense | | | |
| - Current tax | 8(a) | 264.43 | 284.89 |
| - Deferred tax | 8(a) | (3.79) | 17.87 |
| **Total tax expense** | | **260.64** | **302.76** |
| **Profit for the year** | | **618.27** | **844.75** |
| Share of Non controlling Interest in Profit for the year | | (20.37) | 99.68 |
| **Profit for the year** | | **638.64** | **745.07** |

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

(₹ in millions)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Items that will be reclassified to profit or loss | | | |
| Cash flow Hedges | | (192.05) | 83.54 |
| Foreign currency translation reserve movement | | 201.74 | 179.12 |
| Tax relating to above | | 57.24 | (50.89) |
| | | **66.93** | **211.77** |
| Items that will not be reclassified to profit or loss | | | |
| Actuarial gains and losses | | (49.59) | (9.95) |
| Fair value gain / (loss) on FVOCI instruments | | (7.17) | 1.64 |
| Tax relating to above | | 11.14 | 3.17 |
| | | **(45.62)** | **(5.14)** |
| | | **21.31** | **206.63** |
| Share of Non Controlling interest in Other Comprehensive income | | (14.49) | (17.83) |
| **OCI for the year** | | **35.80** | **224.46** |
| **Total comprehensive income for the year** | | **674.44** | **969.53** |
| Earnings per Equity Share (of ₹ 5 each) | | | |
| - Basic (in ₹) | 44 | 10.83 | 12.64 |
| - Diluted (in ₹) | 44 | 10.83 | 12.53 |

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# Statement of changes in equity

for the year ended March 31, 2020

## A. Equity share capital

| Particulars | (INR in millions) |
|---|---|
| **As at March 31, 2018** | **294.75** |
| Changes in equity share capital | - |
| **As at March 31, 2019** | **294.75** |
| Changes in equity share capital | - |
| **As at March 31, 2020** | **294.75** |

## B. Other equity

(₹ in millions)

| | Reserves and surplus | | | | | | Other comprehensive income | | | | Total other equity | Attributable to non-controlling interests | Total other equity |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | Retained earnings | ESOP reserve | General reserve | Capital reserve | Capital redemption reserve | Equity investments | Actuarial gains and losses | Cash flow hedging reserve | Foreign currency translation reserve | | | |
| **As at March 31, 2018** | **1,080.08** | **3,290.81** | **11.91** | **585.88** | **(62.07)** | **494.28** | **2.63** | **(16.69)** | **50.14** | **(267.92)** | **5,169.05** | **363.64** | **5,532.69** |
| Profit for the year | - | 745.07 | - | - | - | - | - | - | - | - | **745.07** | 99.68 | **844.75** |
| Other comprehensive income | - | - | - | - | - | - | 1.64 | (6.22) | 32.54 | 196.50 | **224.46** | (17.83) | **206.63** |
| Acquisition of Subsidiary | - | - | - | - | - | - | - | - | - | - | - | (7.43) | **(7.43)** |
| Purchase of Non controlling interest | - | (18.72) | | | | | | | | | **(18.72)** | (27.41) | **(46.13)** |
| Additional shares issued in subsidiary | - | - | 9.52 | - | - | - | - | - | - | - | **9.52** | - | **9.52** |
| Foreign exchange impact on NCI | - | - | - | - | - | - | - | - | - | - | - | (16.98) | **(16.98)** |
| Proposed Dividend on Equity shares (including taxes of ₹ 6.82 million) | - | (14.73) | - | - | - | - | - | - | - | - | **(14.73)** | - | **(14.73)** |
| Interim Dividend on Equity shares (including taxes of ₹ 3.03 million) | - | (9.84) | - | - | - | - | - | - | - | - | **(9.84)** | - | **(9.84)** |
| **As at March 31, 2019** | **1,080.08** | **3,992.59** | **21.43** | **585.88** | **(62.07)** | **494.28** | **4.27** | **(22.91)** | **82.68** | **(71.42)** | **6,104.81** | **393.67** | **6,498.48** |
| Profit for the year | - | 618.27 | - | - | - | - | - | - | - | - | **618.27** | (20.37) | **597.90** |
| Adjustment for Ind AS 116 (Refer Note No. 46) | - | (55.01) | - | - | - | - | - | - | - | - | **(55.01)** | - | **(55.01)** |
| Non controlling interest | - | 38.48 | - | - | - | - | - | - | - | - | **38.48** | (38.48) | - |
| Foreign exchange impact on NCI | - | - | - | - | - | - | - | - | - | - | - | (100.18) | **(100.18)** |
| ESOP revocation | - | - | (10.72) | - | - | - | - | - | - | - | **(10.72)** | - | **(10.72)** |
| Other comprehensive income | - | - | - | - | - | - | (7.65) | (37.97) | (134.81) | 201.74 | **21.31** | (14.49) | **6.82** |
| Dividends paid (incuding taxes of ₹ 9.92 million ) | - | (68.87) | - | - | - | - | - | - | - | - | **(68.87)** | - | **(68.87)** |
| **As at March 31, 2020** | **1,080.08** | **4,525.46** | **10.71** | **585.88** | **(62.07)** | **494.28** | **(3.38)** | **(60.88)** | **(52.13)** | **130.32** | **6,648.27** | **220.15** | **6,868.42** |

The accompanying notes forming an integral part of the consolidated financial statements

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# Consolidated Cash flow statement

for the year ended March 31, 2020

(₹ in Millions)

| | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | Profit before tax | 866.88 | 1,138.53 |
| | **Adjustments for :** | | |
| | Depreciation and amortisation expense | 263.91 | 260.35 |
| | Provision for doubtful debts, advances and investments | 45.47 | 101.47 |
| | Impairment of Goodwill and other assets | 157.72 | - |
| | Liabilities / excess provision written back | (10.12) | (11.40) |
| | Loss/(Profit) on sale of fixed assets (net) | (0.82) | 0.90 |
| | Lease Rent Ind AS 116 impact (net) | (20.39) | - |
| | Interest expense | 23.96 | 46.24 |
| | Employee stock option expenses | - | 9.83 |
| | Unrealised gain on fair value of financial assets | 11.66 | (1.43) |
| | Profit on sale of investments | (26.63) | (18.27) |
| | Loss on sale of subsidiary | 4.85 | - |
| | Dividend income | (3.71) | (5.14) |
| | Unrealised foreign exchange (gain) / loss | (24.04) | (5.12) |
| | Interest income | (4.01) | (2.30) |
| | **Operating profit before working capital changes** | **1,284.73** | **1,513.66** |
| | **Adjustments for :** | | |
| | (Increase) in trade receivables | (271.97) | (522.70) |
| | (Increase) / decrease in loans | (8.33) | 15.72 |
| | (Increase) in other financial and non-financial assets | (215.77) | (100.28) |
| | Increase in trade payables | 147.97 | 45.38 |
| | Increase in other financial and non-financial liabilities | 214.21 | 179.65 |
| | **Cash generated from operations** | **1,150.84** | **1,131.43** |
| | Direct taxes paid (net) | (316.03) | (235.36) |
| | **Net cash flow from operating activities (A)** | **834.81** | **896.07** |
| **B.** | **Cash flow from investing activities** | | |
| | Purchase of fixed assets / capital work-in-progress | (210.14) | (265.08) |
| | Sale of fixed assets | 5.37 | 16.62 |
| | Payment towards acquisition of subsidiary / non controlling interest | (124.22) | (197.10) |
| | Sale of long-term investments | 2.50 | 12.38 |
| | (Purchase) / Sale of current investments | 214.45 | (222.18) |
| | Dividend received | 14.42 | 5.14 |
| | Interest received | 1.12 | 2.46 |
| | **Net cash flow used in investing activities (B)** | **(96.50)** | **(647.76)** |
| **C.** | **Cash flow from financing activities** | | |
| | Proceeds / (Repayment) of short-term borrowings | 605.86 | (299.16) |
| | Dividend paid | (68.87) | (24.57) |
| | Interest paid | (22.98) | (46.24) |
| | **Net cash flow from / (used in) financing activities (C)** | **514.01** | **(369.97)** |
| | Net cash flow during the year (A+B+C) | 1,252.32 | (121.66) |
| | Cash and cash equivalents at the beginning of the year | 696.18 | 817.84 |
| | Less: Cash and cash equivalents of subsidiary | (0.33) | - |
| | **Net cash and cash equivalents at the end of the year** | **1,948.17** | **696.18** |

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# Notes forming part of the Consolidated Financial Statements

as at March 31, 2020

## Note 1: General Information

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

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

## Note 2: Significant Accounting Policies

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

### Compliance with Ind AS

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

The consolidated financial statements were approved by the Group's Board of Directors and authorised for issue on May 14, 2020.

**b) Basis of Consolidation:**

### i) Subsidiaries

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2020 and as at March 31, 2019 are summarized below:

| Name of the Subsidiary | 2019 - 20 | | 2018 - 19 | |
|---|---|---|---|---|
| | Country of incorporation | % of shareholding | Country of incorporation | % of shareholding |
| Datamatics Global Services Inc | USA | 100.00 | USA | 100.00 |
| Datamatics Infotech Limited | UK | 100.00 | UK | 100.00 |
| Datamatics Global Services Pty. Limited | Australia | 100.00 | Australia | 100.00 |
| Datamatics Global Technologies Limited | Mauritius | 100.00 | Mauritius | 100.00 |
| Datamatics Global Technologies AG | Switzerland | 100.00 | Switzerland | 100.00 |
| Datamatics Global Services FZ LLC | U.A.E | 100.00 | U.A.E | 100.00 |
| Datamatics Global Technologies GmbH* | - | - | Germany | 100.00 |
| Datamatics Global Services Corp | Philippines | 100.00 | Philippines | 100.00 |
| Datamatics Global Services B.V.^ | Netherlands | 100.00 | - | - |
| LD Publishing & eRetail Limited# | India | 100.00 | India | 100.00 |
| Datamatics Digital Limited | India | 100.00 | India | 81.10 |
| Techjini Inc | USA | 100.00 | USA | 81.10 |
| Datamatics Staffing Services Limited | India | 51.00 | India | 41.36 |
| Datamatics Robotics Software Inc | USA | 100.00 | USA | 100.00 |
| Datamatics Robotics Software Limited | India | 100.00 | India | 100.00 |
| RJ Globus Solutions Inc | Philippines | 87.50 | Philippines | 75.00 |
| RJ Globus Inc | USA | 87.50 | USA | 75.00 |
| RJ Globus Solutions Private Limited# | India | 87.50 | India | 75.00 |
| Cignex Datamatics Corporation | BVI | 62.51 | BVI | 61.80 |
| Cignex Datamatics Inc | USA | 62.51 | USA | 61.80 |
| Cignex Datamatics Technologies Limited | India | 62.51 | India | 61.80 |
| Cignex Datamatics Pte. Limited | Singapore | 62.51 | Singapore | 61.80 |
| Cignex Datamatics GmbH | Germany | 62.51 | Germany | 61.80 |
| Cignex Datamatics UK Limited* | - | - | UK | 61.80 |
| Duo Consulting, Inc. | USA | 41.26 | USA | 40.79 |
| Attune Infocom Private Limited@ | - | - | India | 31.52 |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

| Name of the Subsidiary | 2019 - 20 | | 2018 - 19 | |
|---|---|---|---|---|
| | Country of incorporation | % of shareholding | Country of incorporation | % of shareholding |
| Lumina Datamtics Limited | India | 100.00 | India | 98.00 |
| LDR eRetail Limited | India | 100.00 | India | 98.00 |
| Lumina Datamatics Inc | USA | 100.00 | USA | 98.00 |
| Lumina Datamatics GmbH | Germany | 100.00 | Germany | 98.00 |
| Lumina Datamatics Assessment and Analytics, LLC | USA | 65.00 | USA | 63.70 |

^ Incorporated during the year

* Strike off

# Under liquidation

@ Divested during the year

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

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

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

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

### ii) Joint ventures

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

| Name of the Joint venture | 2019 - 20 | | 2018 - 19 | |
|---|---|---|---|---|
| | Country of incorporation | % of shareholding | Country of incorporation | % of shareholding |
| Cybercom Datamatics Information Solutions Limited | India | 50.50 | India | 50.50 |

**Equity Method :**

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### iii) Historical cost convention

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

* certain financial assets and liabilities (including derivative instruments) which is measured at fair value or amortised cost;

* defined benefit plans – plan assets measured at fair value.

### iv) Measurement of fair values

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

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

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

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

### v) Ind AS 116, Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Refer Note 46 for further details.

### vi) Appendix C to Ind AS 12, Uncertainity over Income tax treatment

The Ministry of Corporate Affairs ("MCA") has notified the companies (Indian Accounting Standards) Amendment Rules,2019 Containing Appendix C to Ind AS 12, uncertainity over Income tax treatments which clarifies the application and measurment requirements in Ind AS 12 when there is uncertainity over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Group has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

### vii) Amendment to Ind AS 19, Employee Benefits

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Any reduction in a surplus, even if that surplus was not previosuly recognised because of impact of the assets ceilling. The amendment is effective from April 1,2019. The Group has evaluated the effect of this amendment on the finacial statements and concluded that this amendment is currently not applicable.

### c) Use of Estimates

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

### d) Foreign currency translation

### i) Functional and presentation currency

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

### ii) Transactions, balances and translation

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

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

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

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

**e) Revenue recognition**

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

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

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

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

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

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

**f) Income tax**

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

**Current income taxes**

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

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

**Deferred tax**

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

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

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

**g) Leases**

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. In assessing whether the Group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Group to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

Refer Note 2(g) - Significant accounting policies - Lease of the Group's Annual report for the year ended March 31, 2019 for accounting policy of Ind AS 17.

**h) Cash and cash equivalents**

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

**i) Cash Flow Statement**

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

**j) Trade receivables**

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

**k) Investments and other financial assets**

**i) Classification**

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

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

* those measured at amortised cost.

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

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

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

**ii) Measurement**

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

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

**Debt instruments**

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

* **Amortised cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

* **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

* **Fair value through profit or loss:** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

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

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

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

### iii) Impairment of financial assets

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

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

### iv) Derecognition of financial assets

A financial asset is derecognised only when

* The Group has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

### v) Income recognition

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividends**

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

### l) Derivatives and hedging activities

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

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

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

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

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

### m) Offsetting financial instruments

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

### n) Property, Plant and Equipment

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

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**Depreciation methods, estimated useful lives and residual value**

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

**o) Intangible assets**

**i) Goodwill**

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

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

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

**ii) Trademarks, copyrights and other rights**

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

**iii) Computer software**

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

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

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

**iv) Other Intangible assets**

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

**v) Amortisation methods and periods**

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

| Particulars | Useful Life |
|---|---|
| Goodwill | Reviewed for impairment every year. |
| Patents, Trademarks, Copyrights | 3 - 5 years |
| Customer contracts | 3 years |
| Computer Software | 3 years |
| Other intangible assets | 3 years |

**p) Trade and other payables**

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

**q) Borrowings**

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

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**r) Borrowing costs**

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

**s) Provision, Contingent Liabilities and Contingent Assets**

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

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

Contingent Assets are neither recognised nor disclosed.

**t) Employee benefits**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

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

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

**u) Contributed equity**

Equity shares are classified as equity.

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

**v) Earnings per share**

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

**w) Business Combinations**

The Group accounts for its business combinations under acquisition method of accounting. Acquisition related costs are recognised in the consolidated statement of profit and loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date. Purchase consideration paid in excess of fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair value of identifiable assets and liabilities, the excess is recognised as capital reserve. The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity of subsidiaries. Business combinations arising from transfers of interests in entities that are under common control are accounted at historical cost. The difference between any consideration given and the agrregate historical carrying amounts of assets and liabilities of the acquired entity is recorded in shareholder's equity.

**x) Recent Indian Accounting Standards (Ind AS)**

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

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 3 - Property, plant and equipment

(₹ in millions)

| Particulars | Land | Leasehold Land | Buildings | Leasehold Improvements | Plant & Equipment | Computers | Furniture & Fixtures | Vehicles | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Carrying cost As at March 31, 2018** | **302.85** | **270.30** | **181.09** | **106.24** | **168.12** | **170.87** | **131.91** | **20.30** | **1,351.68** | **49.91** |
| Additions | - | - | 0.37 | 27.55 | 51.98 | 31.74 | 22.83 | 7.77 | **142.23** | - |
| Acquisitions (business combination) | - | - | 2.49 | 61.75 | 40.93 | 2.54 | 15.38 | - | **123.09** | - |
| Disposals / derecognised | - | - | - | (1.96) | (0.74) | (7.39) | (1.41) | (1.41) | **(12.91)** | (40.13) |
| Exchange differences | - | - | - | 9.63 | (8.59) | 3.01 | 4.83 | 0.04 | **8.93** | - |
| **Carrying cost As at March 31, 2019** | **302.85** | **270.30** | **183.95** | **203.21** | **251.70** | **200.77** | **173.54** | **26.70** | **1,613.02** | **9.78** |
| Additions | - | - | 8.74 | 41.72 | 37.01 | 41.47 | 13.16 | 7.52 | **149.62** | 9.46 |
| Disposals / derecognised | - | - | (0.03) | (0.24) | (12.24) | (11.30) | (4.48) | (3.64) | **(31.92)** | (11.91) |
| Exchange differences | - | - | - | 9.92 | 10.54 | 4.83 | 3.51 | (0.75) | **28.03** | - |
| **Carrying cost As at March 31, 2020** | **302.85** | **270.30** | **192.66** | **254.61** | **287.01** | **235.77** | **185.73** | **29.83** | **1,758.76** | **7.33** |

(₹ in millions)

| Particulars | Land | Leasehold Land | Buildings | Leasehold Improvements | Plant & Equipment | Computers | Furniture & Fixtures | Vehicles | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation As at March 31, 2018** | **-** | **9.36** | **11.95** | **10.89** | **49.63** | **106.94** | **44.38** | **6.39** | **239.54** | **-** |
| Depreciation charge during the year | - | 4.68 | 1.63 | 21.90 | 63.01 | 47.18 | 22.23 | 3.44 | **164.07** | - |
| Acquisitions (business combination) | - | - | 0.60 | 16.91 | 13.66 | 2.22 | 3.40 | - | **36.78** | - |
| Disposals / derecognised | - | - | - | (0.11) | (0.22) | (4.70) | (0.10) | (0.65) | **(5.79)** | - |
| Exchange differences | - | - | - | (0.22) | (0.89) | 2.12 | 0.04 | 0.02 | **1.07** | - |
| **Accumulated depreciation As at March 31, 2019** | **-** | **14.04** | **14.18** | **49.37** | **125.17** | **153.76** | **69.95** | **9.20** | **435.67** | **-** |
| Depreciation charge during the year | - | 4.61 | 3.85 | 10.16 | 57.75 | 40.28 | 25.86 | 3.73 | **146.24** | - |
| Disposals / derecognised | - | - | (0.01) | (0.83) | (11.01) | (10.48) | (1.71) | (3.12) | **(27.16)** | - |
| Exchange differences | - | - | - | 4.57 | 8.57 | 8.87 | 1.86 | 0.04 | **23.92** | - |
| **Accumulated depreciation As at March 31, 2020** | **-** | **18.65** | **18.02** | **63.27** | **180.49** | **192.43** | **95.96** | **9.85** | **578.67** | **-** |
| **Net carrying amount as at March 31, 2020** | **302.85** | **251.65** | **174.64** | **191.34** | **106.52** | **43.34** | **89.77** | **19.98** | **1,180.09** | **7.33** |
| **Net carrying amount as at March 31, 2019** | **302.85** | **256.26** | **169.77** | **153.85** | **126.53** | **47.01** | **103.59** | **17.50** | **1,177.35** | **9.78** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 4 - Intangible assets, Goodwill, Right-to-use assets

(₹ in millions)

| Particulars | Computer Software | Non-Compete Fees | Copy Rights | Trade Mark | Customer Contracts | Other Intangibles | Total | Goodwill | Intangible assets under development | Right to Use Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **Carrying Cost As at March 31, 2018** | **309.56** | **29.66** | **8.35** | **0.02** | **56.96** | **6.65** | **411.20** | **1,764.10** | **-** | **-** |
| Additions | 71.47 | - | - | 1.89 | - | - | **73.36** | 249.32 | 3.20 | - |
| Acquisitions (business combination) | 0.27 | - | - | - | - | - | **0.27** | - | - | - |
| Disposals / derecognised | (10.10) | - | - | (0.49) | - | - | **(10.59)** | - | - | - |
| Exchange differences | 14.03 | - | - | - | 1.12 | (0.63) | **14.52** | 132.58 | - | - |
| **Carrying Cost As at March 31, 2019** | **385.23** | **29.66** | **8.35** | **1.42** | **58.08** | **6.02** | **488.76** | **2,146.00** | **3.20** | **-** |
| Additions | 67.50 | - | - | 0.75 | - | - | **68.25** | - | 4.87 | 278.91 |
| Disposals / derecognised | (56.28) | - | - | - | - | - | **(56.28)** | - | - | - |
| Exchange differences | 0.56 | - | - | - | 1.82 | (0.09) | **2.29** | 92.18 | - | - |
| **Carrying Cost As at March 31, 2020** | **397.01** | **29.66** | **8.35** | **2.17** | **59.90** | **5.93** | **503.02** | **2,238.19** | **3.71** | **278.91** |

(₹ in millions)

| Particulars | Computer Software | Non-Compete Fees | Copy Rights | Trade Mark | Customer Contracts | Other Intangibles | Total | Goodwill | Intangible assets under development | Right to Use Assets |
|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated amortisation and impairment As at March 31, 2018** | **123.18** | **15.43** | **4.26** | **-** | **26.97** | **3.82** | **173.66** | **11.73** | **-** | **-** |
| Amortisation charge during the year | 64.41 | 6.70 | 1.87 | 0.31 | 13.33 | 0.43 | **87.05** | 9.22 | - | - |
| Acquisitions (business combination) | 0.16 | - | - | - | - | - | **0.16** | - | - | - |
| Disposals / derecognised | (0.09) | - | - | (0.10) | - | - | **(0.19)** | - | - | - |
| Exchange differences | 9.14 | - | - | - | 1.12 | (0.83) | **9.43** | 0.80 | - | - |
| **Accumulated amortisation and impairment As at March 31, 2019** | **196.80** | **22.13** | **6.13** | **0.21** | **41.42** | **3.42** | **270.11** | **21.75** | **-** | **-** |
| Amortisation charge during the year | 94.88 | 6.72 | 1.88 | 0.75 | 13.33 | 0.12 | **117.67** | - | - | 106.06 |
| Impairment loss during the year | - | - | - | - | - | - | **-** | 157.72 | - | - |
| Disposals / derecognised | (56.28) | - | - | - | - | - | **(56.28)** | - | - | - |
| Exchange differences | 2.83 | - | - | - | 1.82 | 1.68 | **6.34** | 27.90 | - | - |
| **Accumulated amortisation and impairment As at March 31, 2020** | **238.23** | **28.85** | **8.01** | **0.96** | **56.57** | **5.22** | **337.84** | **207.37** | **-** | **106.06** |
| **Net carrying amount as at March 31, 2020** | **158.78** | **0.81** | **0.34** | **1.21** | **3.33** | **0.71** | **165.18** | **2,030.81** | **3.71** | **172.85** |
| **Net carrying amount as at March 31, 2019** | **188.43** | **7.53** | **2.22** | **1.21** | **16.66** | **2.60** | **218.65** | **2,124.25** | **3.20** | **-** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 5 - Non-current investments

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Investment in equity instruments (fully paid-up)** | | |
| **Quoted (at Fair Value through OCI) (FVOCI)** | | |
| 18,234 (P.Y. 18,234) fully paid Equity Shares of ₹ 2 each of Wipro Limited | 3.58 | 4.65 |
| 5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited | 0.02 | 0.09 |
| 800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited | 0.23 | 0.54 |
| 8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited | 1.26 | 2.13 |
| 38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation | 6.16 | 7.67 |
| 5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited | 1.90 | 3.89 |
| 1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited | 1.45 | 2.49 |
| 900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited | 0.03 | 0.04 |
| 35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited | 0.09 | 0.39 |
| 56 (P.Y. 56) fully paid Equity Share of Dana Holding Corporation | 0.84 | 0.77 |
| | | |
| **In Joint venture - Others- Unquoted (at cost)** | | |
| 428,390 (P.Y. 428,390) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each | 77.58 | 76.25 |
| | | |
| **Investment in preference shares** | | |
| **Unquoted - In others (at FVTPL)** | | |
| 1,500,000 (P.Y. 1,500,000) 8% Compulsorily Convertible Redeemable Non-Cumulative Non-Participating Preference Shares of HandyTraining Technologies Private Limited of ₹ 10 each | 15.00 | 15.00 |
| **Total** | **108.14** | **113.91** |
| | | |
| Aggregate amount of quoted investments | 15.56 | 22.66 |
| Aggregate amount of unquoted investments | 92.58 | 91.25 |
| Aggregate market value of quoted investments | 15.56 | 22.66 |

## Note 6 - Loans (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| (Unsecured, considered Good, unless specified otherwise) | | |
| Others - | | |
| Loan to employees | 0.55 | 0.29 |
| Loan to Others | 0.75 | - |
| **Total** | **1.30** | **0.29** |

## Note 7 - Other financial assets (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Security deposits | 141.61 | 108.95 |
| Less: Allowance for doubtful deposits | 6.17 | 6.17 |
| Net security deposits | 135.44 | 102.78 |
| Fixed deposit with bank having maturity of more than 12 months | 0.44 | 0.40 |
| Fair value of outstanding corporate guarantees (FVTPL) | - | 8.92 |
| Fair value of outstanding forward contracts (FVOCI) | 2.72 | 53.76 |
| **Total** | **138.60** | **165.86** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 8 - Taxation

### 8(a) - Income tax expense

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the year | 258.80 | 295.18 |
| Adjustments for current tax of prior periods | 5.63 | (10.29) |
| **Total current tax expense** | **264.43** | **284.89** |
| | | |
| **Deferred tax** | | |
| Decrease/(increase) in deferred tax assets | (5.18) | 11.26 |
| Adjustments for deferred tax of prior periods | 1.39 | 6.61 |
| **Total deferred tax expense/(benefit)** | **(3.79)** | **17.87** |
| **Income tax expense** | **260.64** | **302.76** |

### 8(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Profit for the year | 878.91 | 1,147.53 |
| Tax expense at applicable tax rate* | 204.72 | 328.87 |
| Effects of: | | |
| Items not deductible for tax | 14.51 | 6.96 |
| Tax holiday and Exempt income | (17.35) | (32.71) |
| Impairment of goodwill and other assets | 33.12 | - |
| Recognition of unutilized tax benefits / Unrecognized losses utilized | (8.68) | (35.28) |
| Taxable due to change in tax base | (10.44) | (2.73) |
| Undistributed earnings | (17.66) | 25.20 |
| Income taxed at higher / (lower) rates | (1.58) | (4.28) |
| Change in tax rate and law | 26.07 | 2.44 |
| Adjustments for current tax of prior periods | 7.02 | (3.68) |
| Others, net | 30.91 | 17.97 |
| **Income tax expense** | **260.64** | **302.76** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**8(c) - Deferred tax assets**

**The balance comprises temporary differences attributable to:**

(₹ in millions)

| Particulars | March 31, 2019 | Recognized in Income statement | Recognized in OCI | Other (Due to Acquisition, FCTR, BS etc.) | March 31, 2020 |
|---|---|---|---|---|---|
| **Deferred Tax Assets** | | | | | |
| Employee benefits | 87.68 | (13.82) | 10.77 | (0.58) | 84.05 |
| Provision for doubtful debts | 71.84 | (25.77) | - | (2.01) | 44.06 |
| Investment In subsidiaries | 2.05 | (2.05) | - | (19.12) | (19.12) |
| MAT credit | 6.35 | (4.87) | - | (0.98) | 0.50 |
| Net operating losses | 10.62 | 12.99 | - | (0.36) | 23.25 |
| Others | 20.66 | 0.70 | - | 1.88 | 23.23 |
| **Total Deferred Tax Assets** | **199.20** | **(32.82)** | **10.77** | **(21.17)** | **155.97** |
| **Deferred Tax Liabilities** | | | | | |
| Depreciation | 30.66 | (14.27) | - | 0.24 | 16.63 |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | 5.77 | (4.68) | (0.37) | 0.10 | 0.82 |
| Cash flow hedging | 39.41 | - | (57.24) | (1.31) | (19.14) |
| Undistributed earnings | 98.43 | (17.66) | - | 6.74 | 87.51 |
| Others | 0.02 | - | - | (0.02) | - |
| **Total Deferred Tax Liabilities** | **174.29** | **(36.61)** | **(57.61)** | **5.75** | **85.82** |
| **Net Deferred Tax** | **24.91** | **3.79** | **68.38** | **(26.92)** | **70.15** |

| Particulars | March 31, 2018 | Recognized in Income statement | Recognized in OCI | Other (Due to Acquisition, FCTR, BS etc.) | March 31, 2019 |
|---|---|---|---|---|---|
| **Deferred Tax Assets** | | | | | |
| Employee benefits | 72.45 | 11.23 | 3.12 | 0.88 | 87.68 |
| Provision for doubtful debts | 65.71 | 5.84 | - | 0.29 | 71.84 |
| Investment In subsidiaries | (3.10) | 5.14 | - | 0.01 | 2.05 |
| MAT credit | 88.30 | (0.86) | - | (81.09) | 6.35 |
| Net operating losses | 10.02 | (0.86) | - | 1.46 | 10.62 |
| Others | 16.17 | 4.50 | - | 0.01 | 20.66 |
| **Total Deferred Tax Assets** | **249.55** | **24.99** | **3.12** | **(78.46)** | **199.20** |
| **Deferred Tax Liabilities** | | | | | |
| Depreciation | 16.76 | 14.73 | - | (0.83) | 30.66 |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | 2.43 | 3.39 | (0.06) | 0.01 | 5.77 |
| Cash flow hedging | 20.42 | - | 50.90 | (31.91) | 39.41 |
| Undistributed earnings | 69.55 | 25.20 | - | 3.68 | 98.43 |
| Others | 0.45 | (0.46) | - | 0.03 | 0.02 |
| **Total Deferred Tax Liabilities** | **109.61** | **42.86** | **50.84** | **(29.02)** | **174.29** |
| **Net Deferred Tax** | **139.94** | **(17.87)** | **(47.72)** | **(49.44)** | **24.91** |

Note :

The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, Equity, MAT credit creation/utilisation during the period and foreign currency translation.

* A new section 115BAA was inserted in the IT Act 1961 by the Govt of India on Sept 20, 2019 wide the Taxation Laws (Amendment) Ordinance 2019, which provides the option to pay income-tax at reduce rate in accordance with the provision/conditions defined in the said section. Accordingly the company and its certain entities have exercised the option u/s 115BAA. However some subsidiaries have decided not to exercise the option. The entities where the option have been exercised have recognised the income tax on the basis of that section and remeasured the current tax and deferred tax during the year.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 9 - Non-current tax assets (net)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance tax and tax deducted at source (net of provision for tax) | 159.29 | 163.06 |
| **Total** | **159.29** | **163.06** |

## Note 10 - Other non-current assets

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Capital advances | 0.14 | 5.93 |
| Other advances - | | |
| Prepaid expenses | 3.95 | 0.78 |
| Balance with govt authorities | 0.05 | 0.05 |
| Other assets | 0.42 | 0.39 |
| **Total** | **4.56** | **7.15** |

## Note 11 - Current investments

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Investment in mutual funds** | | |
| **Quoted (at FVTPL)** | | |
| 3,846 (P.Y. Nil) units of Nippon India Liquid Fund - Direct Plan Growth (face value of ₹ 1,000/- each) | 18.60 | - |
| 923,898 (P.Y. Nil) units of HDFC Short Term Debt Fund - Growth (face value of ₹ 10/- each) | 20.92 | - |
| 844,824 (P.Y. Nil) units of Nippon India Overnight Fund - Dir – Growth (face value of ₹ 100/- each) | 90.50 | - |
| 144,018 (P.Y. Nil) units of Nippon India Arbitrage Fund-Direct Plan Growth (face value of ₹ 10/- each) | 3.01 | - |
| 11,411 (P.Y. Nil) units of Kotak Overnight Fund - Growth (face value of ₹ 1,000/- each) | 12.16 | - |
| 3 (P.Y. Nil) units of Motilal Oswal Home Finance Limited of ₹ 1,063,447/- each | 3.19 | - |
| 2,254 (P.Y. Nil) units of HDFC Liquid Funds - Daily Dividend (Face value of ₹ 10/- each) | 0.02 | - |
| 88,285 (P.Y. Nil) units of Franklin India Overnight Fund - Growth Option ₹ 1000/- each | 92.20 | - |
| Nil (P.Y. 2,563,272) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10/- each) | - | 55.73 |
| Nil (P.Y. 375,340) units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10/- each) | - | 4.78 |
| Nil (P.Y. 133,518) units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10/- each) | - | 4.54 |
| Nil (P.Y. 205,295) units of Aditya Birla Sun Life Corporate Bond Fund - Growth (Face Value of ₹10/- each) | - | 14.71 |
| Nil (P.Y. 7,118,577) units of Franklin India Ultra Short Bond Fund - SIP - Daily Dividend (Face Value of ₹ 10/- each) | - | 73.42 |
| 13,485 (P.Y. 663,538) units of ICICI Prudential Liquid fund - Direct - Growth (Face Value of ₹ 100/- each) | 3.94 | 183.12 |
| 226 (P.Y. 24,130) units of Reliance Liquid fund - TP - Growth (Face Value of ₹ 1,000/- each) | 1.09 | 109.53 |
| 280,636 (P.Y. 280,636) units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10/- each) | 9.32 | 8.67 |
| **Total** | **254.95** | **454.50** |
| | | |
| Aggregate amount of quoted investments | 254.95 | 454.50 |
| Aggregate market value of quoted investments | 254.95 | 454.50 |

## Note 12 - Trade receivables

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unsecured | | |
| Considered Good (Refer Note No. 45) | 2,751.98 | 2,480.66 |
| Less :- Allowance for expected credit loss | 27.47 | 19.29 |
| | 2,724.51 | 2,461.37 |
| Credit impaired | 177.85 | 256.71 |
| Less :- Allowance for doubtful trade receivable (Refer Note No. 39) | 177.85 | 256.71 |
| | - | - |
| **Total** | **2,724.51** | **2,461.37** |

Trade receivable includes receivable from related parties (Refer Note No. 45).

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 13 - Cash and cash equivalents

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Balances with bank: | | |
| - in Current Acocunt | 1,662.44 | 681.79 |
| - in Deposit Acocunt | 278.60 | - |
| Cash on hand | 7.13 | 3.64 |
| Cheque on Hand | - | 10.75 |
| **Total** | **1,948.17** | **696.18** |

## Note 14 - Other bank balances

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Margin money deposits* | 37.20 | 36.29 |
| Fixed deposit with banks | 0.10 | - |
| Unpaid dividend account** | 1.77 | 1.75 |
| **Total** | **39.07** | **38.04** |

* Of the above ₹ 37.20 million (as at March 31, 2019: ₹ 36.29 million) are marked as lien for guarantees issued by banks on behalf of the Group.

** The Group can utilise balances only towards settlement of the unpaid dividend.

## Note 15 - Loans (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| Others- | | |
| Loan to employees | 5.97 | 3.65 |
| Loan to Others | 5.00 | - |
| **Total** | **10.97** | **3.65** |

## Note 16 - Other financial assets (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Security deposits | 14.56 | 8.01 |
| Less: Allowance for doubtful deposits | 2.50 | - |
| Net Security deposits | 12.06 | 8.01 |
| Advances to related parties (Refer Note No. 45) | 5.53 | 3.82 |
| Others- | | |
| Interest receivable | 2.84 | 0.06 |
| Fair value of outstanding forward contracts (FVOCI) | 27.00 | 72.24 |
| Unbilled revenue | 722.70 | 614.71 |
| **Total** | **770.13** | **698.84** |

## Note 17 - Current tax assets (net)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance tax and tax deducted at source (net of provision for tax) | 49.49 | 18.86 |
| **Total** | **49.49** | **18.86** |

## Note 18 - Other current assets

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance to Vendors | 60.91 | 28.40 |
| Advance to employees | 21.92 | 32.02 |
| Balance with govt authorities | 111.35 | 92.70 |
| Prepaid expenses | 150.09 | 139.23 |
| Other assets | 7.00 | - |
| **Total** | **351.27** | **292.35** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 19 - Share capital and other equity

**19(a) Equity share capital**

### (i) Authorised share capital of face value of ₹ 5/- each

| Particulars | Number of shares | (₹ in millions) |
|---|---|---|
| **As at March 31, 2018** | **104,000,000** | **520.00** |
| Increase during the year | - | - |
| **As at March 31, 2019** | **104,000,000** | **520.00** |
| Increase during the year | - | - |
| **As at March 31, 2020** | **104,000,000** | **520.00** |

**Authorised redeemable preference share capital of face value of ₹ 10/- each**

| Particulars | Number of shares | (₹ in millions) |
|---|---|---|
| **As at March 31, 2018** | **45,550,000** | **455.50** |
| Increase during the year | - | - |
| **As at March 31, 2019** | **45,550,000** | **455.50** |
| Increase during the year | - | - |
| **As at March 31, 2020** | **45,550,000** | **455.50** |

**Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each**

| Particulars | Number of shares | (₹ in millions) |
|---|---|---|
| **As at March 31, 2018** | **58,949,337** | **294.75** |
| Increase during the year | - | - |
| **As at March 31, 2019** | **58,949,337** | **294.75** |
| Increase during the year | - | - |
| **As at March 31, 2020** | **58,949,337** | **294.75** |

### (ii) Movements in equity share capital

| Particulars | Number of shares | (₹ in millions) |
|---|---|---|
| **As at March 31, 2018** | **58,949,337** | **294.75** |
| Issued during the year | - | - |
| **As at March 31, 2019** | **58,949,337** | **294.75** |
| Issued during the year | - | - |
| **As at March 31, 2020** | **58,949,337** | **294.75** |

### (iii) Shares of the company held by holding company

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| | | (₹ in millions) |
| 32,098,742 (31,813,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited | 165.00 | 159.07 |

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

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| Delta Infosolutions Private Limited | 32,098,742 | 54.45% | 31,813,742 | 53.97% |
| Lalit Surajmal Kanodia | 3,688,265 | 6.26% | 3,477,995 | 5.90% |
| Asha Lalit Kanodia | 3,305,258 | 5.61% | 3,305,258 | 5.61% |

### (v) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 14, 2020 have not proposed any dividend.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

| 19(b) Other equity* | | | (₹ in millions) |
|---|---|---|---|
| **Particulars** | | **March 31, 2020** | **March 31, 2019** |
| Securities premium | Refer Note (i) below | 1,080.08 | 1,080.08 |
| Retained earnings | | 4,525.46 | 3,992.59 |
| ESOP reserve | Refer Note (ii) below | 10.71 | 21.43 |
| General reserve | Refer Note (iii) below | 585.88 | 585.88 |
| Capital reserve | Refer Note (iv) below | (62.07) | (62.07) |
| Capital redemption reserve | Refer Note (v) below | 494.28 | 494.28 |
| OCI - | | | |
| Equity investments | Refer Note (vi) below | (3.38) | 4.27 |
| Actuarial gains and losses | | (60.88) | (22.91) |
| Cash flow hedging reserve | Refer Note (vii) below | (52.13) | 82.68 |
| Foreign currency translation reserve | Refer Note (viii) below | 130.32 | (71.42) |
| **Total** | | **6,648.27** | **6,104.81** |

* For movement of reserves, refer statement of changes in equity

## Nature of reserves

**(i) Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**(ii) ESOP Reserve**

ESOP reserve is created for issue of share capital under RSU plan.

**(iii) General Reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

**(iv) Capital Reserve**

Capital reserve created on the merger of one of the subsidiaries with the parent company. Also Goodwill on common control transaction is adjusted against capital reserve.

**(v) Capital Redemption Reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

**(vi) OCI - Equity investments**

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

**(vii) OCI - Cash Flow Hedging Reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

**(viii) OCI - Foreign currency translation reserve**

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 20 - Lease liabilities (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Lease liabilities (Refer Note No. 46) | 109.44 | - |
| **Total** | **109.44** | **-** |

## Note 21 - Other financial liabilities (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Creditor for capital expenditure | 0.53 | 0.55 |
| Fair value of outstanding corporate guarantees (FVTPL) | - | 8.92 |
| Fair Value of outstanding forward contracts (FVOCI) | 51.72 | - |
| **Total** | **52.25** | **9.47** |

## Note 22 - Provisions (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unfunded (Refer Note No. 52) | | |
| Provisions for employee benefits | | |
| Gratuity | 196.53 | 149.13 |
| Leave encashment | 81.96 | 79.29 |
| **Total** | **278.49** | **228.42** |

## Note 23 - Current borrowings

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Working capital loan | | |
| From Directors (Unsecured) | - | 18.10 |
| From Banks (Secured)* | 877.14 | 78.19 |
| From Others (Secured)* | 87.50 | 262.50 |
| **Total** | **964.64** | **358.79** |

*Notes-

Working capital loans from HSBC Bank and Citibank NA are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the financial institution hence considered as current borrowings.

## Note 24 - Trade payables

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Dues of Micro enterprises and small enterprises | 5.63 | 0.13 |
| Dues other than Micro enterprises and small enterprises | 891.67 | 742.14 |
| **Total** | **897.30** | **742.27** |

Micro and Small enterprises have been identified by the Group on the basis of the information available with the Group. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stiputlated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| (a) Dues remaining unpaid | | |
| - Principal | - | 0.13 |
| - Interest on above* | - | 0.01 |
| (b) Interest paid in terms of Section 16 of MSMED Act | | |
| - Principal paid beyond the appointed date | - | - |
| - Interest paid in terms of Section 16 of MSMED Act | 0.01 | - |
| (c) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year | - | - |
| (d) Amount of interest accured and unpaid* | - | - |

* The Group has not provided any interest on the amount oustanding beyond stipulated period in the previous year.

## Note 25 - Other financial liabilities (current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fair Value of contingent consideration | 22.17 | 96.13 |
| Fair value of outstanding forward contracts (FVOCI) | 48.87 | 4.82 |
| Interest accrued but not due | 0.98 | - |
| Deposits received | 14.84 | - |
| Unclaimed dividend* | 1.77 | 1.75 |
| Other payables | 6.58 | 24.07 |
| **Total** | **95.21** | **126.77** |

* Dividend ₹ 0.17 million (₹ 0.19 million) unclaimed for a period of more than seven years has been transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2020.

## Note 26 - Lease liabilities (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Lease liabilities (Refer Note No. 46) | 109.11 | - |
| **Total** | **109.11** | **-** |

## Note 27 - Provisions (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unfunded (Refer Note No. 52) | | |
| Provisions for employee benefits | | |
| Gratuity | 24.91 | 22.29 |
| Leave encashment | 43.55 | 14.57 |
| **Total** | **68.46** | **36.86** |

## Note 28 - Current tax liabilities (net)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Provision for tax (net of advance tax) | 33.86 | 54.92 |
| **Total** | **33.86** | **54.92** |

## Note 29 - Other current liabilities

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Statutory dues | 199.07 | 142.44 |
| Advance from customers | 87.99 | 21.82 |
| Unearned revenue | 144.08 | 157.21 |
| **Total** | **431.14** | **321.47** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 30 - Revenue from operations

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Sale of Product | 214.90 | 182.15 |
| Sale of Services | 11,818.34 | 11,152.75 |
| **Total** | **12,033.24** | **11,334.90** |

## Note 31 - Other income

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest from Bank | 2.82 | 0.96 |
| Interest Others | 1.19 | 1.34 |
| Dividend on share investment | 3.71 | 5.14 |
| Profit on sale of investments other than carried at FVOCI | 26.63 | 18.27 |
| Guarantee fees received | - | 1.00 |
| Net gain on disposal of property, plant and equipment | 0.82 | - |
| Unrealised gain on fair value of financial assets | (11.66) | 1.43 |
| Exchange gain (Net) | 152.63 | 23.45 |
| Incentive under SEIS Scheme | 13.62 | 42.00 |
| Miscellaneous receipts | 15.34 | 14.53 |
| **Total** | **205.10** | **108.12** |

## Note 32 - Purchase of products and licenses

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Purchase of IT Products and Licenses | 169.84 | 111.49 |
| **Total** | **169.84** | **111.49** |

## Note 33 - Employee benefit expenses

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Salary, Wages & Allowances | 7,233.03 | 6,466.91 |
| Contribution towards Provident & Other funds | 291.40 | 248.82 |
| Share based compensation (Refer Note No. 47) | - | 9.83 |
| Staff Welfare expenses | 226.27 | 165.76 |
| **Total** | **7,750.70** | **6,891.32** |

## Note 34 - Finance costs

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest on loan from banks | 20.26 | 39.82 |
| Interest on lease liabilities (Refer Note No. 46) | 13.81 | - |
| Interest on loan others | 3.70 | 6.42 |
| Other finance charges | 8.49 | 1.47 |
| **Total** | **46.26** | **47.71** |

## Note 35 - Depreciation and Amortisation Expenses

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Depreciation on property plant and equipment | 146.24 | 164.07 |
| Depreciation on Leased Assets (Refer Note No. 46) | 106.06 | - |
| Amortisation on intangible assets | 117.67 | 96.28 |
| **Total** | **369.97** | **260.35** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 36 - Impairment of Goodwill and other assets

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Impairment of Goodwill and other assets (Refer Note No. 42) | 157.72 | - |
| **Total** | **157.72** | **-** |

## Note 37 - Other expenses

(₹ in millions)

| Particulars | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| IT Infrastructure & Development Cost | | 109.50 | 54.07 |
| Technical fees | | 677.17 | 953.13 |
| Outsourcing cost | | 533.84 | 240.35 |
| Travelling expenses | | 314.19 | 384.59 |
| Recruitment charges | | 61.65 | 58.53 |
| Rent (Refer Note No. 46) | | 155.70 | 248.57 |
| Electricity expenses | | 133.45 | 123.49 |
| Communication charges | | 100.29 | 109.86 |
| Rates & Taxes | | 35.50 | 35.68 |
| Water charges | | 2.62 | 2.15 |
| Legal & Professional expenses | | 196.22 | 195.62 |
| Audit fees | | 11.50 | 12.49 |
| Link Charges | | 45.50 | 52.38 |
| Insurance | | 31.62 | 29.87 |
| Vehicle expenses | | 27.58 | 10.34 |
| Repairs & Maintenance expenses | | 95.09 | 104.76 |
| Software Maintenance expenses | | 56.87 | 37.31 |
| Hire charges | | 29.80 | 45.76 |
| Printing & Stationery | | 32.66 | 29.88 |
| Subscription expenses | | 38.29 | 26.28 |
| Bank Charges | | 13.75 | 11.92 |
| Board Sitting Fees | | 1.07 | 1.20 |
| Loss on sale of subsidiary (Refer Note No. 42) | | 4.85 | - |
| Sales Promotion | | 49.87 | 67.27 |
| Security Charges | | 31.04 | 28.48 |
| Loss on sale of assets (Net) | | - | 0.90 |
| Bad Debts Written off | 74.80 | | 47.69 |
| Less: Allowance for doubtful debts written back | (74.80) | - | (24.97) |
| Allowance for doubtful debts | | 45.47 | 78.75 |
| CSR Expenses (Refer Note No. 54) | | 20.67 | 1.21 |
| Miscellaneous expenses | | 21.21 | 26.06 |
| **Total** | | **2,876.97** | **2,993.62** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 38: Fair value measurements

**Financial instruments by category**

(₹ in Millions)

| | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments | | | | | | |
| - Mutual funds | 254.95 | - | - | 454.50 | - | - |
| - Equity instruments | - | 15.56 | - | - | 22.66 | - |
| - Preference shares | 15.00 | - | - | 15.00 | - | - |
| Trade receivables | - | - | 2,724.51 | - | - | 2,461.37 |
| Cash and cash equivalents | - | - | 1,948.17 | - | - | 696.18 |
| Bank balances other than Cash and cash equivalents | - | - | 39.07 | - | - | 38.04 |
| Security deposit | - | - | 147.51 | - | - | 110.79 |
| Fair value of outstanding forward contracts | - | 29.72 | - | - | 126.01 | - |
| Loan to employees | - | - | 6.52 | - | - | 3.94 |
| Loan to others | - | - | 5.00 | - | - | - |
| Unbilled revenue | - | - | 722.70 | - | - | 614.71 |
| Other receivables | - | - | 9.55 | - | - | 13.20 |
| **Total financial assets** | **269.95** | **45.28** | **5,603.03** | **469.50** | **148.67** | **3,938.23** |
| | | | | | | |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 964.64 | - | - | 358.79 |
| Trade payables | - | - | 897.30 | - | - | 742.27 |
| Creditor for capital expenditure | - | - | 0.53 | - | - | 0.55 |
| Lease liabilities | - | - | 218.55 | - | - | - |
| Fair value of outstanding forward contracts | - | 100.59 | - | - | 4.82 | - |
| Other payables | - | - | 46.34 | - | - | 130.87 |
| **Total financial liabilities** | **-** | **100.59** | **2,127.36** | **-** | **4.82** | **1,232.48** |

### i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard.

(₹ in Millions)

| Financial assets and liabilities measured at fair value At March 31, 2020 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Financial Investments at FVPL** | | | | |
| Mutual funds | 254.95 | - | - | **254.95** |
| Preference shares | - | - | 15.00 | **15.00** |
| **Financial Investments at FVOCI** | | | | |
| Fair value of outstanding forward contracts | - | 29.72 | - | **29.72** |
| Equity instruments | 15.56 | - | - | **15.56** |
| **Total financial assets** | **270.51** | **29.72** | **15.00** | **315.23** |
| Financial Liabilities | | | | |
| Fair value of outstanding forward contracts | - | 100.59 | - | **100.59** |
| **Total financial liabilities** | **-** | **100.59** | **-** | **100.59** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

(₹ in Millions)

| Financial assets and liabilities measured at fair value At March 31, 2019 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Financial Investments at FVPL** | | | | |
| Mutual funds | 454.50 | - | - | **454.50** |
| Preference shares | - | - | 15.00 | **15.00** |
| **Financial Investments at FVOCI** | | | | |
| Fair value of outstanding forward contracts | - | 126.01 | - | **126.01** |
| Equity instruments | 22.66 | - | - | **22.66** |
| **Total financial assets** | **477.16** | **126.01** | **15.00** | **618.17** |
| Financial Liabilities | | | | |
| Fair value of outstanding forward contracts | - | 4.82 | - | **4.82** |
| **Total financial liabilities** | **-** | **4.82** | **-** | **4.82** |

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

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in Millions)

| Particulars | Amount |
|---|---|
| **Balance as on March 31, 2018** | **15.00** |
| Change in the value | - |
| **Balance as on March 31, 2019** | **15.00** |
| Change in the value | - |
| **Balance as on March 31, 2020** | **15.00** |

### ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

All of the resulting fair value estimates are included in level 3 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

### iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

## Note 39: Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the Group is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables and financial assets | Aging analysis, Credit ratings | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and Trade payable | Maturity analysis, cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk – foreign exchange | Import Payables and Export Receivables | Cash flow forecasting Sensitivity analysis | Forward foreign exchange contracts |
| Market risk – security prices | Investments in equity securities | Sensitivity analysis | Portfolio diversification |

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**A) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Group is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

**Credit risk management**

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2020 and March 31, 2019 is the carrying value of such trade receivables as shown in note 12 of the financials.

Reconciliation of loss allowance provision – Trade receivables

| Particulars | ₹ In millions |
|---|---|
| **Loss allowance on March 31, 2018** | **272.97** |
| Changes in loss allowance | (16.26) |
| **Loss allowance on March 31, 2019** | **256.71** |
| Changes in loss allowance | 23.41 |
| Bad debts write off | (74.80) |
| **Loss allowance on March 31, 2020** | **205.32** |

**B) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

**C) Market risk**

**i) Foreign currency risk**

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Grop's risk management policy is to hedge around 70% to 85% of forecasted revenue for the subsequent 24 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 70% to 85% of the forecasted revenue.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**a) Foreign currency risk exposure:**

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2020 and March 31, 2019 are given below :

(₹ in Millions)

| Particulars | Currency | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|---|
| | | Foreign Currency | ₹ In Millions | Foreign Currency | ₹ In Millions |
| Receivables | USD | 9.51 | 719.05 | 5.80 | 402.61 |
| | GBP | 2.10 | 196.37 | 1.36 | 122.37 |
| | EUR | 0.85 | 70.50 | 0.76 | 60.09 |
| | CHF | 0.44 | 34.23 | 0.27 | 18.75 |
| | AUD | 0.58 | 26.94 | 0.53 | 26.24 |
| | AED | 0.06 | 1.33 | - | - |
| | CAD | 0.03 | 1.66 | 0.01 | 0.51 |
| | SEK | 0.05 | 0.41 | 0.19 | 1.40 |
| | ZAR | - | - | 0.00 | 0.23 |
| Payables | USD | 0.15 | 11.44 | 1.40 | 96.75 |
| | EUR | - | - | 0.01 | 1.03 |
| | CHF | 0.14 | 11.28 | 0.01 | 0.44 |
| | GBP | 0.00 | 0.02 | 0.07 | 6.16 |
| | AED | - | - | 0.00 | 0.00 |
| | AUD | 0.00 | 0.19 | - | - |
| | SGD | 0.00 | 0.04 | - | - |

**b) Sensitivity**

The Group is mainly exposed to changes in USD, GBP, CHF, AUD and EUR. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and EUR exchange rates, with all other veriables held constant. 5% appreciation/depreciation of USD, GBP, EUR, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

(₹ in Millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| USD | 35.38 | 19.72 |
| GBP | 9.82 | 6.01 |
| EUR | 3.53 | 2.95 |
| CHF | 1.15 | 0.92 |
| AUD | 1.34 | 1.31 |

* Holding all other variables constant

**ii) Cash flow and fair value interest rate risk**

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During March 31, 2020 and March 31, 2019, the Group's borrowings at variable rate were mainly denominated in INR and USD .

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**a) Interest rate risk exposure**

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Variable rate borrowings | 477.14 | 55.31 |
| Fixed rate borrowings | 487.50 | 303.48 |
| **Total borrowings** | **964.64** | **358.79** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

As at the end of the reporting period, the Group had the following variable rate borrowings outstanding:

| | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | Weighted average interest rate % | Balance (₹ In Millions) | % of total loans | Weighted average interest rate % | Balance (₹ In Millions) | % of total loans |
| Working Capital Demand Loan | 4.38% | 477.14 | 49.46% | 4.38% | 55.31 | 15.42% |

**b) Sensitivity**

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

(₹ in Millions)

| | Impact on profit after tax | |
|---|---|---|
| | March 31, 2020 | March 31, 2019 |
| Interest rates – increase by 70 basis points (70 bps) * | (3.34) | (0.39) |
| Interest rates – decrease by 70 basis points (70 bps) * | 3.34 | 0.39 |

* Holding all other variables constant

### iii) Price risk

**a) Exposure**

The Group's exposure to equity securities price risk arises from investments held by the Group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

The majority of the Group's equity investments are publicly traded.

## Note 40: Capital management

**a) Risk management**

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Group capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Group monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturirites of non current borrowings.

(₹ in Millions)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Borrowings | 964.64 | 358.79 |
| Total equity | 7,163.17 | 6,793.23 |
| **Borrowing to equity ratio** | **0.13** | **0.05** |

**b) Dividends**

(₹ in Millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **(i) Equity shares** | | |
| Interim dividend for the year ended March 31, 2020 of Nil (March 31, 2019 – ₹ 0.25) per fully paid share | - | 14.74 |
| | | |
| **(ii) Dividends not recognised at the end of the reporting period** | | |
| In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ NIL per fully paid equity share (March 31, 2019 – ₹ 1). | - | 58.95 |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 41: Segment information

**Description of segments and principal activities**

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO.

The Group organised itself into two businesse units, which form the operating segments for segment reporting.

The operating segments are :

a. IT Services (IT)

b. Business Process Management (BPM)

(₹ in Millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Segment Revenue** | | |
| IT | 7,071.14 | 6,497.66 |
| BPM | 4,962.10 | 4,837.24 |
| **Total** | **12,033.24** | **11,334.90** |
| Less: Inter Segment Revenue | - | - |
| **Revenue from Operations** | **12,033.24** | **11,334.90** |
| **Segment results** | | |
| IT | 785.11 | 729.51 |
| BPM | 450.62 | 608.96 |
| **Total** | **1,235.73** | **1,338.47** |
| Less: Inter Segment Profit | - | - |
| **Total Segment results** | **1,235.73** | **1,338.47** |
| unallocable expenses | 573.95 | 308.06 |
| Share in profit of JV | 12.03 | 8.98 |
| Other income | 205.10 | 108.12 |
| **Profit before taxes** | **878.91** | **1,147.51** |
| Tax expenses | 260.64 | 302.76 |
| **Profit after tax** | **618.27** | **844.75** |

**Segment Assets and Liabilities**

The assets and liabilites used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

**Geographic Segment**

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

(₹ in Millions)

| Geographic Location | March 31, 2020 | March 31, 2019 |
|---|---|---|
| USA | 6,945.30 | 7,039.09 |
| Europe | 1,912.15 | 2,076.15 |
| Rest of World | 3,175.79 | 2,219.66 |
| **Total** | **12,033.24** | **11,334.90** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 42: Business Combinations

**Summary of business combinations in current Year**

(i) In the month of April 2019 the parent company acquired additional 12.5% of the issued share capital of RJ Globus Solutions Inc (RJ Globus).

(ii) In the month of April 2019 the parent company acquired balance stake in Datamatics Digital Limited (DDL). Now Datamatics Digital Limited has become wholly owned subsidiary of the parent company.

(iii) On April 20, 2020, Duo Consulting Inc. ("Duo"), a subsidiary of Cignex Datamatics Inc. (Cignex USA), entered into a sale and assignment agreement ("Asset Purchase Agreement") with a third party. Under the terms of the agreement, Duo has agreed to sell contracts and computer system, assign its employees along with customer contracts, and business IT systems. Consequently, the Management of the Holding Company, in its annual assessment for goodwill impairment, has impaired the goodwill associated with Duo amounting to ₹ 157.72 million in the consolidated financial results.

(iv) On September 09, 2019, Cignex Datamatics Technologies Limited (Cignex India), a step down subsidiary of the Holding Company, has entered into a share purchase agreement, pursuant to which Cignex India had agreed to sell its entire ownership interest in Attune Infocom Private Limited (Attune) a subsidiary of Cignex India, to the non-controlling shareholder of Attune, in a phased manner. The Management concluded that the Holding Company no longer meets the accounting criteria for consolidation of Attune due to loss of control over the operations of Attune. Effective September 09, 2019, the Holding Company has de-consolidated the subsidiary and has recorded a loss of ₹ 6.28 million due to the de-consolidation. Cost of investment is shown as Asset Held for Sale ₹ 12.50 million.

**Reconciliation of contingent consideration** (₹ in Millions)

| Particulars | RJ Globus | DDL |
|---|---|---|
| Contingent consideration on March 31, 2019* | 63.64 | 116.00 |
| Change on account of change in consideration | - | (6.89) |
| Change on account of acquisition of additional stake | (44.60) | (109.11) |
| Exchange difference | 3.13 | - |
| **Contingent consideration on March 31, 2020** | **22.17** | **-** |

* Including amount shown in Non-controlling interest of ₹ 52.36 million.

**Summary of acquisitions in Previous Year**

(i) On April 7, 2018 the parent entity acquired 75.00% of the issued share capital of RJ Globus Solutions Inc (RJ Globus). The principal activities of the company is to engage in call centre and BPO services, inbound and outbound and data processing.

(ii) On March 17, 2019 one of the subsidiary, Datamatics Digital Limited acquired 51.00% of the issued share capital of Datamatics Staffing Services Limited (DSSL).

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

(₹ in Millions)

| Particulars | RJ Globus Amount | DSSL Amount |
|---|---|---|
| Cash paid | 30.40 | 74.46 |
| Contingent Consideration | 32.55 | - |
| **Purchase consideration** | **62.95** | **74.46** |

The assets and liabilities recognised as a result of the acquisition are as follows:

(₹ in Millions)

| Particulars | RJ Globus Amount | DSSL Amount |
|---|---|---|
| Property, plant & equipments | 58.79 | 2.60 |
| Security deposits | 17.59 | 0.43 |
| Deferred tax asset | - | 1.84 |
| Trade receivables | 16.26 | 12.36 |
| Cash & Bank Balances | 1.86 | 2.38 |
| Liquid Investments | - | 1.59 |
| Advance tax payment (net of provision) | (0.95) | 3.19 |
| Loans & advances | 1.56 | 1.23 |
| Customer advance | - | (0.25) |
| Employee benefits provision | - | (4.30) |
| Trade payables | (35.64) | (1.08) |
| Borrowings | (76.69) | (18.10) |
| Statutory liabilities | (16.91) | (1.69) |
| Unearned Revenue | (15.61) | - |
| **Net identifiable assets acquired** | **(49.74)** | **0.20** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**Calculation of goodwill** (₹ in Millions)

| Particulars | RJ Globus | DSSL |
|---|---|---|
| | Amount | Amount |
| Consideration transferred | 62.95 | 74.46 |
| Non-controlling interest in the acquired entity | (12.44) | (5.00) |
| Net identifiable assets acquired | 49.74 | (0.20) |
| **Goodwill** | **100.25** | **69.26** |

Acquisition related costs

Acquisition related costs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

**(iii) On March 19, 2019 the parent entity acquired additional 10.00% in Datamatics Digital Limited (DDL).**

(₹ in Millions)

| Particulars | Amount |
|---|---|
| Opening net assets | 177.94 |
| Profit for the period ended March 18, 2019 | 96.13 |
| Net worth as at acquisition date | 274.07 |
| Additional stake of 10% | 27.41 |
| Purchase consideration | 55.00 |
| Capital Reserve / (Goodwill) | (27.59) |

There is a change in contingent consideration payable to the non-controlling interest of DDL.

**Reconciliation of contingent consideration** (₹ in Millions)

| Particulars | Amount |
|---|---|
| **Contingent consideration on March 31, 2018** | **159.00** |
| Change on account of change in consideration | 12.00 |
| Change on account of acquisition of additional stake* | (55.00) |
| **Contingent consideration on March 31, 2019** | **116.00** |

* Including amount shown in Non-controlling interest of ₹ 52.36 million.

## Note 43: Interests in Joint Venture

**a) Interests in joint venture**

Set out below is the joint venture of the Group as at March 31, 2020 which, in the opinion of the directors, are material to the Group. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Millions)

| Name of entity | Place of business | % of ownership interest | Relationship | Accounting method | Carrying amount | |
|---|---|---|---|---|---|---|
| | | | | | March 31, 2020 | March 31, 2019 |
| Cybercom Datamatics Information Solutions Limited | India | 50.50% | Joint venture | Equity | 77.58 | 76.25 |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**b) Summarised financial information for joint venture**

(₹ in Millions)

| **Summarised balance sheet** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| **Current assets** | | |
| Cash and cash equivalents | 8.02 | 3.67 |
| Other assets | 113.78 | 112.58 |
| **Total current assets** | **121.80** | **116.25** |
| Property, Plant & equipment | 38.55 | 40.29 |
| Other assets | 9.21 | 8.20 |
| **Total non-current assets** | **47.76** | **48.49** |
| **Current liabilities** | | |
| Financial liabilities | 11.31 | 6.05 |
| Other liabilities | 0.50 | 0.73 |
| **Total current liabilities** | **11.81** | **6.78** |
| **Non-current liabilities** | | |
| Other liabilities | 4.13 | 6.97 |
| **Total non-current liabilities** | **4.13** | **6.97** |
| **Net assets** | **153.62** | **150.99** |

Reconciliation to carrying amounts

(₹ in Millions)

| **Particulars** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| Opening net assets | 150.99 | 133.20 |
| Profit for the year | 28.45 | 39.57 |
| Other comprehensive income | (0.25) | 0.11 |
| Dividends paid including tax | (25.57) | (21.89) |
| **Closing net assets** | **153.62** | **150.99** |
| Group's share in % | 50.50% | 50.50% |
| Group's share in INR | 77.58 | 76.25 |
| **Carrying amount** | **77.58** | **76.25** |

Summarised statement of profit and loss

(₹ in Millions)

| **Particulars** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| Revenue | 79.96 | 105.19 |
| Other Income | 6.13 | 2.85 |
| Depreciation and amortisation | (1.89) | (2.09) |
| Finance costs | (0.01) | (1.00) |
| Other expenses | (51.70) | (54.40) |
| Income tax expense | (8.43) | (10.98) |
| **Profit for the year** | **24.08** | **39.57** |
| Other comprehensive income | (0.25) | 0.11 |
| **Total comprehensive income** | **23.82** | **39.68** |
| Less: Relating to earlier year | - | 21.89 |
| **Profit attributable** | **23.82** | **17.79** |
| Group's share in % | 50.50% | 50.50% |
| Group's share in INR | 12.03 | 8.98 |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 44: Earnings per Share

| Particulars | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| (a) | Net Profit after taxation attributable to equity shareholders (₹ in Millions) | 638.64 | 745.07 |
| (b) | Weighted average number of outstanding equity shares considered for Basic EPS | 58,949,337 | 58,949,337 |
| (c) | Dilutive impact on Net Profit (₹ in Millions) | - | 6.58 |
| (d) | Net Profit / (Loss) after taxation attributable to equity shareholders (₹ in Millions) | 638.64 | 738.49 |
| | (Nominal value per share ₹ 5 each) | | |
| (e) | Earnings per share | | |
| | Basic earning per share (in ₹) (a/b) | 10.83 | 12.64 |
| | Diluted earning per share (in ₹) (d/b) | 10.83 | 12.53 |

## Note 45: Related party transactions

A As required under Ind AS 24 – "Related Party Disclosures", following are details of transactions during the year with the related parties of the Company and its subsidiaries as defined in Ind AS- 24.

The Company and its subsidiaries has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

Transactions and balances with its own subsidiaries are eliminated on consolidation.

| | | |
|---|---|---|
| **(i)** | **(A) Joint Venture Company** | **(C) Relatives of Key Managerial Personnel and** |
| | Cybercom Datamatics Information Solutions Limited | **Enterprise owned by Key Managerial Personnel** |
| | | Mrs. Asha L. Kanodia |
| | **(B) Key Managerial Personnel** | Mrs. Aneesha Dalmia |
| | Dr. Lalit S. Kanodia, Chairman | Mrs. Priyadarshini Kanodia |
| | Mr. Rahul L. Kanodia, Vice Chairman & CEO | Datamatics Business Solutions Limited |
| | Mr. Sameer L. Kanodia, Director | Datamatics Infotech Services Private Limited |
| | Ms. Divya Kumat, Company Secretary | |
| | Mr. Sandeep Mantri, Chief Financial Officer | **(D) Holding Company** |
| | | Delta Infosolutions Private Limited |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

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

(₹ in Millions)

| Sr. No. | Particulars | (i) A | | (i) B | | (i) C | | (i) D | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| [A] | **Transactions during the year** | | | | | | | | |
| i | **Revenue from operations** | - | - | - | - | **5.81** | **5.57** | - | - |
| | Datamatics Business Solutions Limited | - | - | - | - | 5.81 | 5.57 | - | - |
| ii | **Expenses incurred by related parties** | **0.33** | **3.38** | - | - | **0.01** | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | 0.33 | 3.38 | - | - | - | - | - | - |
| | Datamatics Business Solutions Limited | - | - | - | - | 0.01 | - | - | - |
| iii | **Expenses incurred for related parties** | **0.54** | - | - | - | - | **0.40** | - | - |
| | Datamatics Infotech Services Private Limited | - | - | - | - | - | 0.40 | - | - |
| | Cybercom Datamatics Information Solutions Limited | 0.54 | - | - | - | - | - | - | - |
| iv | **Legal and professional fees** | - | - | - | - | **0.43** | **0.31** | - | - |
| | Datamatics Business Solutions Limited | - | - | - | - | 0.43 | 0.31 | - | - |
| v | **Managerial remuneration*** | - | - | **34.73** | **26.41** | - | - | - | - |
| | Dr. Lalit S. Kanodia | - | - | 10.65 | 8.05 | - | - | - | - |
| | Mr. Rahul L. Kanodia | - | - | 13.29 | 10.55 | - | - | - | - |
| | Mr. Sameer L. Kanodia | - | - | 10.79 | 7.81 | - | - | - | - |
| vi | **Salaries and allowances*** | - | - | **15.51** | **15.90** | **3.30** | **3.13** | - | - |
| | Mrs. Priyadarshini R. Kanodia | - | - | - | - | 3.30 | 3.13 | - | - |
| | Ms. Divya Kumat | - | - | 8.32 | 8.49 | - | - | - | - |
| | Mr. Sandeep Mantri | - | - | 7.19 | 7.41 | - | - | - | - |
| vii | **Commission** | - | - | **9.91** | **7.70** | **0.25** | **0.21** | - | - |
| | Dr. Lalit S. Kanodia | - | - | 4.19 | 3.85 | - | - | - | - |
| | Mr. Rahul L. Kanodia | - | - | 4.19 | 3.85 | - | - | - | - |
| | Mr. Sameer L. Kanodia | - | - | 1.53 | - | - | - | - | - |
| | Mrs. Asha L. Kanodia | - | - | - | - | 0.25 | 0.21 | - | - |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

(₹ in Millions)

| Sr. No. | Particulars | (i)A | | (i) B | | (i) C | | (i) D | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| viii | **Board sitting fees** | - | - | - | - | **0.14** | **0.19** | - | - |
| | Mrs. Asha L. Kanodia | - | - | - | - | 0.14 | 0.19 | - | - |
| | | | | | | | | | |
| ix | **Purchase of Property, plant and equipment** | - | - | - | - | - | **0.78** | - | - |
| | Mrs. Aneesha Dalmia | - | - | - | - | - | 0.78 | - | - |
| | | | | | | | | | |
| x | **Corporate guarantee fees** | - | **1.00** | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | 1.00 | - | - | - | - | - | - |
| | | | | | | | | | |
| xi | **Dividend Paid** | - | - | **4.95** | **1.18** | **4.78** | **1.20** | **31.81** | **7.95** |
| | Dr. Lalit S. Kanodia | - | - | 3.48 | 0.81 | - | - | - | - |
| | Mr. Sameer L. Kanodia | - | - | 1.47 | 0.37 | - | - | - | - |
| | Mrs. Asha L. Kanodia | - | - | - | - | 3.31 | 0.83 | - | - |
| | Mrs. Priyadarshini Kanodia | - | - | - | - | 1.47 | 0.37 | - | - |
| | Delta Infosolutions Private Limited | - | - | - | - | - | - | 31.81 | 7.95 |
| | | | | | | | | | |
| xii | **Loans and advances refunded during the year** | - | **0.01** | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | 0.01 | - | - | - | - | - | - |
| | | | | | | | | | |
| xiii | **Loans and advances given during the year** | **3.75** | **0.24** | - | - | **0.60** | **0.26** | - | - |
| | Cybercom Datamatics Information Solutions Limited | 3.75 | 0.24 | - | - | - | - | - | - |
| | Datamatics Infotech Services Private Limited | - | - | - | - | 0.60 | - | - | - |
| | Datamatics Staffing Services Limited | - | - | - | - | - | 0.26 | - | - |

(₹ in Millions)

| Sr. No. | Particulars | (i)A | | (i) B | | (i) C | | (i) D | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| [B] | **Balance as on March 31** | | | | | | | | |
| i | **Loans and advances receivable** | **4.30** | **0.55** | - | - | **0.60** | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | 4.30 | 0.55 | - | - | - | - | - | - |
| | Datamatics Infotech Services Private Limited | - | - | - | - | 0.60 | - | - | - |
| | | | | | | | | | |
| ii | **Payables** | - | - | **9.91** | **27.30** | **0.25** | - | - | - |
| | Dr. Lalit S. Kanodia | - | - | 4.19 | 21.95 | - | - | - | - |
| | Mr. Rahul L. Kanodia | - | - | 4.19 | 3.85 | - | - | - | - |
| | Mr. Sameer L. Kanodia | - | - | 1.53 | 1.50 | - | - | - | - |
| | Mrs. Asha Kanodia | - | - | - | - | 0.25 | - | - | - |
| | Datamatics Business Solutions Limited | - | - | - | - | 0.00 | - | - | - |
| | | | | | | | | | |
| iii | **Receivables** | **0.97** | **0.22** | - | - | **2.11** | **3.43** | - | - |
| | Datamatics Business Solutions Limited | - | - | - | - | 2.11 | 3.43 | - | - |
| | Cybercom Datamatics Information Solutions Limited | 0.97 | 0.22 | - | - | - | - | - | - |
| | | | | | | | | | |
| iv | **Guarantees** | - | **50.00** | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | 50.00 | - | - | - | - | - | - |

* Above figures does not include gratuity, leave encashment, mediclaim and term life insurance as separate actuarial valuation / premium figures are not available.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 46: Leases

The Group adopted Ind AS 116 w.e.f. April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The Group has adopted Ind AS 116, effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Group has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. This has resulted in recognising a right-of-use asset of ₹ 215.92 million and a corresponding lease liability of ₹ 272.96 million by adjusting retained earnings net of taxes of ₹ 55.01 million (including the impact of deferred tax created of ₹ 2.03 million) as at April 1,2019. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. EBIDTA and Profit before tax is increased by ₹ 140.26 million and ₹ 20.39 million respectively due to change in accounting standard for the year ended March 31, 2020. During the year, interest on lease liability charged ₹ 13.81 million, Depreciation on Right-to-use asset ₹ 106.06 million. Hence Lease liability as on March 21, 2020 is ₹ 218.55 million and Right-to-use asset as on March 31, 2020 is ₹ 172.85 million.

Non-cancellable operating leases

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 37. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

(₹ in millions)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Within one year | - | 125.17 |
| Later than one year but not later than five years | - | 178.62 |
| Later than five years | - | - |

Rental expense relating to operating leases

(₹ in millions)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Total rental expense relating to operating leases | 155.70 | 248.57 |

Notes:

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

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

(c) There are no sublease payments as well as no contingent rent.

## Note 47: Restricted Stock Unit Plan 2016

One of the subsidiary has granted "Restricted Stock Units" (RSU) under "LDL RSU PLAN 2016. "The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the Company shall be the primary requirement of the vesting.

Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of ₹ 10 per option. The plan shall extend to Senior Executive employees as identified by the Board/ Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant.

During the year, NIL amount (P.Y. ₹ 9.83 million) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages & Allowances and the same has been disclosed under Reserves and Surplus - ESOP reserve.

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 48: Events occurring after the reporting period

**Dividend**

Dividends paid during the year ended March 31, 2020 include an amount of ₹ 1 per equity share towards final dividend for the year ended March 31, 2019.

Dividends declared by the Group are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 14, 2020, the Board of Directors of the Company have not proposed any dividend in respect of the year ended March 31, 2020.

## Note 49: Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(₹ in Millions)

| | Contingent Liabilities to the extent not provided for: | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| (a) | **Claims against the Group not acknowledged as debt:** | | |
| (i) | Income Tax matters | 17.74 | 21.64 |
| | | | |
| (b) | **Details of guarantees outstanding as at:** | | |
| (i) | Corporate guarantees provided to bank against credit facilities extended to subsidiaries and joint venture | 48.00 | 98.00 |
| (ii) | Guarantees given by banks | 447.72 | 341.70 |
| | | | |
| (c) | **Capital and other commitments:** | | |
| (i) | Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances) | 4.96 | 5.93 |
| (ii) | Estimated amount payable under business development agreement to business consultant (USD 0.26 million) | 19.35 | 17.70 |

## Note 50: Forward contracts in foreign currencies

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(₹ in Millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Not later than one month | 219.58 | 244.85 |
| Later than one month and not later than three months | 437.70 | 515.87 |
| Later than three months and not later than one year | 1,828.11 | 1,976.87 |
| Later than one year | 1,603.17 | 1,566.05 |
| **Total** | **4,088.56** | **4,303.64** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

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

(₹ in Millions)

| | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| **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 | 569 | 40.73 | (93.94) | 628 | 41.92 | 75.94 |
| Euro | - | - | - | 35 | 1.79 | 5.91 |
| Sterling Pound | 149 | 9.97 | 23.08 | 212 | 11.10 | 39.33 |
| **Total** | | | **(70.86)** | | | **121.18** |

Net loss on derivative instruments of ₹ 70.86 million (gain of ₹ 121.18 million in March 2019) recognised in Hedging Reserve as of March 31, 2020, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2022.

## Note 51: Revenue from contract with major customers

No single customer represents 10% or more of the Group's total revenue during the year ended March 31, 2020 and March 31, 2019.

While disclosing the agreegate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Group has applied the practical expedient in Ind AS 115. Accordingly, the Group has not disclosed the agreegate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

Changes in contract assets of major customers are as follows:

(₹ in Millions)

| **Particulars** | **March 31, 2020** | **March 31, 2019** |
|---|---|---|
| Balance at beginning of the year | 44.13 | 62.51 |
| Revenue recognised during the year | 250.23 | 139.30 |
| Invoices raised during the year | 118.32 | 157.68 |
| **Balance at the end of the year** | **176.04** | **44.13** |

## Note 52: Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

(₹ in Millions)

| | | **March 31, 2020** | **March 31, 2019** |
|---|---|---|---|
| **I.** | **Defined Contribution Plan** | | |
| | **Charge to the Statement of Profit and Loss based on contributions:** | | |
| | Employers contribution to provident fund | 189.35 | 134.44 |
| | Employers contribution to other foreign defined contribution plans | 80.33 | 85.59 |
| | Employers contribution to employees' state insurance | 12.41 | 21.61 |
| | Employers contribution to labour welfare fund and others | 0.28 | 0.26 |
| | **Included in contribution to provident fund and other funds (Refer Note No.31)** | **282.37** | **241.90** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

**II. Defined benefit plan**

i) Movement in Present Value of Obligation

(₹ in Millions)

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Present Value of Obligation as at the beginning* | 163.44 | 129.13 | 90.15 | 83.45 |
| Current service cost | 28.87 | 23.26 | 34.81 | 28.79 |
| Interest expense or cost | 12.66 | 9.97 | 6.96 | 6.45 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | | | |
| - change in demographic assumptions | (0.17) | (0.93) | (0.03) | 0.12 |
| - change in financial assumptions | 21.89 | 5.75 | 8.02 | 5.03 |
| - experience variance (i.e. actual experience vs assumptions) | 28.09 | 5.71 | (12.08) | (0.43) |
| Past Service Cost | - | 13.35 | - | - |
| Benefits Paid | (40.50) | (18.50) | (25.04) | (33.26) |
| Acquisition adjustment | 1.39 | 61.29 | 0.51 | 23.92 |
| Present Value of Obligation as at the end | 215.66 | 111.26 | 103.30 | 68.99 |

* Opening balances of benefit obligations are excluding figures of Attune Infocom Private Limited which was deconsolidated during the year.

ii) Expenses recognised in the income statement and other comprehensive income

(₹ in Millions)

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Current service cost | 28.87 | 23.63 | 34.81 | 29.46 |
| Past service cost | - | 17.00 | - | - |
| Net interest cost on the net defined benefit liability | 12.66 | 10.16 | 6.97 | 5.57 |
| Actuarial (gains) / losses | - | - | (5.29) | 8.54 |
| Expenses recognised in Profit & Loss Account | 41.53 | 10.38 | 36.49 | 26.23 |
| Other Comprehensive Income - | | | | |
| Actuarial (gains) / losses | | | | |
| - change in demographic assumptions | (0.17) | - | - | - |
| - Change in financial assumptions | 21.89 | 0.04 | - | - |
| - Experience variance | 28.09 | 10.53 | - | - |
| Expenses recognised in OCI | 49.81 | 7.03 | - | - |

iii) Financial Assumptions

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

| Particulars | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Discount Rate (per annum) | 5.40% - 7.60% | 7.60% - 7.76% | 5.40% - 7.60% | 7.60% - 7.76% |
| Salary growth rate (per annum) | 3.50% - 4.50% | 3.50% - 4.50% | 3.50% - 4.50% | 3.50% - 4.50% |
| Mortality Rate | IALM 12-14 | IALM 06-08 | IALM 12-14 | IALM 06-08 |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

iv) Sensitivity Analysis

(₹ in Millions)

| Particulars | Gratuity | | | |
|---|---|---|---|---|
| | March 31, 2020 | | March 31, 2019 | |
| | Decrease | Increase | Decrease | Increase |
| Discount rate (- / + 0.5%) | 141.79 | 126.81 | 107.08 | 96.81 |
| Discount rate (- / + 1%) | 93.60 | 71.55 | 62.81 | 50.28 |
| Salary growth rate (- / + 0.5%) | 126.62 | 141.93 | 96.63 | 107.23 |
| Salary growth rate (- / + 1%) | 71.37 | 93.25 | 50.26 | 62.61 |
| Attrition rate (- / + 0.5%) | 40.11 | 38.77 | 32.66 | 33.71 |
| Attrition rate (- / + 0.25%) | 176.66 | 175.58 | 123.82 | 124.59 |
| Mortality rate (- / + 1%) | 215.29 | 215.63 | 157.21 | 157.57 |

Sensitivity Analysis

(₹ in Millions)

| Particulars | Leave encashment | | | |
|---|---|---|---|---|
| | March 31, 2020 | | March 31, 2019 | |
| | Decrease | Increase | Decrease | Increase |
| Discount rate (- / + 0.5%) | - | - | 52.09 | 40.54 |
| Discount rate (- / + 1%) | 113.28 | 94.92 | 60.01 | 49.14 |
| Salary growth rate (- / + 0.5%) | - | - | 40.34 | 52.25 |
| Salary growth rate (- / + 1%) | 94.67 | 113.43 | 48.93 | 60.15 |
| Attrition rate (1 / + 0.50%) | 70.31 | 76.26 | 64.07 | 70.41 |
| Attrition rate (1 / + 0.25%) | 28.96 | 29.80 | 31.52 | 32.85 |
| Mortality rate (- / + 1%) | 103.26 | 103.33 | 99.76 | 99.98 |

v) Maturity profile of Defined Benefit obligation

(₹ in Millions)

| Expected Cash flow over the next (valued on undiscounted basis) | Gratuity | | Leave encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| 1 Year | 23.84 | 21.53 | 23.84 | 14.20 |
| 2 to 5 years | 41.40 | 40.36 | 31.87 | 26.75 |
| 6 to 10 years | 69.95 | 62.41 | 28.12 | 30.17 |
| More than 10 years | 457.48 | 387.97 | 147.82 | 190.91 |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 53: Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2020

| | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other comprehensive income (OCI) | | Share in Total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | ₹ in Millions | As % of consolidated profit or loss | ₹ in Millions | As % of consolidated OCI | ₹ in Millions | As % of consolidated TCI | ₹ in Millions |
| Datamatics Global Services Limited | 39% | 4,914.71 | 48% | 307.40 | (82%) | (85.95) | 30% | 221.45 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Cignex Datamatics Technologies Limited | 3% | 376.03 | 9% | 55.58 | (26%) | (26.99) | 4% | 28.59 |
| Lumina Datamtics Limited | 17% | 2,136.97 | 7% | 47.19 | (57%) | (59.20) | (2%) | (12.01) |
| Datamatics Robotics Software Limited | (0%) | (52.55) | (8%) | (54.22) | (1%) | (0.80) | (7%) | (55.03) |
| LD Publishing & eRetail Limited | 0% | 0.47 | 0% | - | 0% | - | 0% | - |
| LDR eRetail Limited | 0% | 18.06 | 0% | 1.45 | (0%) | (0.03) | 0% | 1.41 |
| Datamatics Digital Limited | 3% | 357.50 | 17% | 107.79 | (7%) | (7.61) | 13% | 100.18 |
| Datamatics Staffing Services Limited | 0% | 11.40 | 0% | 0.80 | 0% | 0.16 | 0% | 0.96 |
| RJ Globus Solutions Private Limited | 0% | 0.09 | (0%) | (0.00) | (1%) | (0.57) | (0%) | (0.57) |
| | | | | | | | | |
| **Foreign** | | | | | | | | |
| Datamatics Global Services Inc. | 4% | 538.92 | (1%) | (8.86) | 44% | 46.12 | 5% | 37.26 |
| Datamatics Robotics Software Inc. | 0% | 0.11 | 0% | 0.37 | 0% | 0.00 | 0% | 0.37 |
| Datamatics Infotech Limited | 2% | 252.88 | 13% | 81.62 | 9% | 9.78 | 12% | 91.41 |
| Datamatics Global Services Pty. Limited | 0% | 17.09 | 0% | 1.24 | (1%) | (1.43) | (0%) | (0.19) |
| Datamatics Global Technologies Limited | 9% | 1,104.60 | 0% | 0.05 | 90% | 94.25 | 13% | 94.30 |
| Datamatics Global Technologies AG | 0% | 0.65 | 0% | 0.03 | 0% | 0.08 | 0% | 0.10 |
| Techjini Inc | 0% | 27.59 | 1% | 5.56 | 4% | 4.36 | 1% | 9.92 |
| RJ Globus Solutions Inc | 0% | 0.71 | 2% | 13.05 | 25% | 26.12 | 5% | 39.17 |
| RJ Globus Inc | 0% | 0.70 | (0%) | (0.02) | (0%) | (0.09) | (0%) | (0.12) |
| Cignex Datamatics Corporation | (1%) | (71.28) | 0% | - | 0% | - | 0% | - |
| Cignex Datamatics Inc. | 3% | 366.03 | 7% | 47.38 | 10% | 10.90 | 8% | 58.28 |
| Cignex Datamatics Pte. Limited | 0% | 12.48 | 0% | 1.13 | 0% | 0.06 | 0% | 1.19 |
| Cignex Datamatics GmbH | 0% | 2.41 | 0% | 0.23 | 0% | 0.03 | 0% | 0.26 |
| Duo Consulting, Inc. | 0% | 39.74 | (0%) | (1.75) | 0% | 0.15 | (0%) | (1.59) |
| Datamatics Global Services FZ LLC | 1% | 128.95 | 0% | 2.47 | 6% | 6.48 | 1% | 8.96 |
| Datamatics Global Services BV | 0% | 1.94 | (0%) | (0.13) | 0% | 0.08 | (0%) | (0.06) |
| Datamatics Global Services Corp. | 0% | 25.23 | (0%) | (0.87) | 4% | 4.40 | 0% | 3.52 |
| Lumina Datamatics Inc. | 20% | 2,528.12 | 7% | 41.75 | 26% | 27.32 | 9% | 69.07 |
| Lumina Datamatics GmbH | 0% | 18.41 | 0% | 0.51 | 15% | 15.35 | 2% | 15.86 |
| Lumina Datamatics Assessment and Analytics, LLC | (0%) | (5.25) | (1%) | (8.03) | 40% | 41.28 | 4% | 33.24 |
| **Total** | **100%** | **12,752.71** | **100%** | **641.72** | **100%** | **104.25** | **100%** | **745.93** |
| | | | | | | | | |
| Adjustments arising out of consolidation | | (5,809.70) | | (35.47) | | (53.96) | | (89.39) |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

| | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other comprehensive income (OCI) | | Share in Total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | ₹ in Millions | As % of consolidated profit or loss | ₹ in Millions | As % of consolidated OCI | ₹ in Millions | As % of consolidated TCI | ₹ in Millions |
| **Share of Profit in Joint Venture** | | | | | | | | |
| **Indian Joint Venture** | | | | | | | | |
| Cybercom Datamatics Information Solutions Limited | - | | 12.03 | | - | | 12.03 | |
| **Non Controlling Interest** | | | | | | | | |
| **Indian Subsidiaries** | | | | | | | | |
| Datamatics Staffing Services Limited | 5.59 | | (0.39) | | 0.08 | | (0.31) | |
| **Foreign Subsidiaries** | | | | | | | | |
| Lumina Datamatics Assessment and Analytics, LLC | (25.05) | | 2.81 | | - | | 2.81 | |
| RJ Globus Solutions Inc | 0.19 | | (1.63) | | 3.18 | | 1.55 | |
| Cignex Datamatics Corporation | 248.30 | | (34.81) | | (17.75) | | (52.56) | |
| Duo Consulting, Inc. | (8.87) | | 54.38 | | - | | 54.38 | |
| **Total** | **(5,589.54)** | | **(3.08)** | | **(68.45)** | | **(71.49)** | |
| **Consolidated Net Assets / Profit after tax / OCI / TCI** | **7,163.17** | | **638.64** | | **35.80** | | **674.44** | |

**Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures for the year ended March 31, 2019**

| | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other comprehensive income (OCI) | | Share in Total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | ₹ in Millions | As % of consolidated profit or loss | ₹ in Millions | As % of consolidated OCI | ₹ in Millions | As % of consolidated TCI | ₹ in Millions |
| Datamatics Global Services Limited | 39% | 4,765.59 | 34% | 292.36 | 57% | 25.42 | 35% | 317.78 |
| **Subsidiaries** | | | | | | | | |
| **Indian** | | | | | | | | |
| Cignex Datamatics Technologies Limited | 3% | 347.81 | 6% | 48.86 | (3)% | (1.34) | 5% | 47.52 |
| Lumina Datamtics Limited | 18% | 2,112.45 | 12% | 101.94 | 13% | 5.55 | 12% | 107.49 |
| Datamatics Robotics Software Limited | 0% | 2.47 | (1)% | (6.15) | (3)% | (1.38) | (1)% | (7.53) |
| LD Publishing & eRetail Limited | 0% | 0.47 | (0)% | (0.03) | 0% | - | (0)% | (0.03) |
| LDR eRetail Limited | 0% | 16.65 | 0% | 1.01 | 0% | 0.01 | 0% | 1.02 |
| Datamatics Digital Limited | 2% | 257.32 | 11% | 94.67 | (2)% | (1.09) | 10% | 93.58 |
| Datamatics Staffing Services Limited | 0% | 10.44 | 0% | 0.40 | (0)% | (0.08) | 0% | 0.32 |
| RJ Globus Solutions Private Limited | 0% | 0.09 | (0)% | (0.01) | 0% | - | (0)% | (0.01) |
| Attune Infocom Private Limited | 0% | 12.56 | 0% | 2.82 | 0% | 0.17 | 0% | 2.99 |
| | | | | | | | | |
| Datamatics Global Services Inc. | 4% | 538.92 | 14% | 122.16 | 2% | 1.05 | 14% | 123.21 |
| Datamatics Robotics Software Inc. | (0)% | (0.27) | (0)% | (0.97) | (0)% | (0.01) | (0)% | (0.98) |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

| | Net Assets i.e. total assets minus total liabilities | | Share in profit or loss | | Share in Other comprehensive income (OCI) | | Share in Total comprehensive income (TCI) | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | ₹ in Millions | As % of consolidated profit or loss | ₹ in Millions | As % of consolidated OCI | ₹ in Millions | As % of consolidated TCI | ₹ in Millions |
| Datamatics Infotech Limited | 1% | 161.47 | 5% | 46.63 | 2% | 0.77 | 5% | 47.40 |
| Datamatics Global Services Pty. Limited | 0% | 16.86 | 1% | 6.56 | 1% | 0.23 | 1% | 6.79 |
| Datamatics Global Technologies Limited | 8% | 1,010.29 | 0% | 1.03 | 0% | 0.01 | 0% | 1.04 |
| Datamatics Global Technologies AG | 0% | 0.55 | (0)% | (1.05) | (0)% | (0.02) | (0)% | (1.07) |
| Techjini Inc | 0% | 19.79 | 1% | 4.51 | 2% | 0.87 | 1% | 5.38 |
| RJ Globus Solutions Inc | (0)% | (0.20) | 3% | 23.20 | 0% | - | 3% | 23.20 |
| RJ Globus Inc | 0% | 0.67 | (0)% | (0.02) | 0% | - | (0)% | (0.02) |
| Cignex Datamatics Corporation | (0)% | (43.48) | (1)% | (9.22) | 0% | - | (1)% | (9.22) |
| Cignex Datamatics Inc. | 2% | 288.50 | 11% | 95.01 | (110)% | (48.79) | 5% | 46.22 |
| Cignex Datamatics Pte. Limited | 0% | 12.12 | 0% | 2.82 | 0% | - | 0% | 2.82 |
| Cignex Datamatics UK Limited | (0)% | (1.37) | (0)% | (0.23) | 0% | - | (0)% | (0.23) |
| Cignex Datamatics GmbH | 0% | 2.02 | 0% | 0.44 | 0% | - | 0% | 0.44 |
| Duo Consulting, Inc. | 0% | 44.42 | 0% | 3.84 | 0% | - | 0% | 3.84 |
| Datamatics Global Services FZ LLC | 1% | 115.57 | (1)% | (6.86) | (0)% | (0.05) | (0)% | (6.91) |
| Datamatics Global Services Corp. | 0% | 22.92 | (0)% | (1.06) | 0% | - | (0)% | (1.06) |
| Lumina Datamatics Inc. | 18% | 2,229.86 | 6% | 48.45 | 142% | 62.92 | 12% | 111.37 |
| Lumina Datamatics GmbH | 0% | 16.62 | 0% | 0.69 | 0% | - | 0% | 0.69 |
| Lumina Datamatics Assessment and Analytics, LLC | 1% | 107.88 | (0)% | (3.69) | 0% | - | (0)% | (3.69) |
| **Total** | **100%** | **12,068.99** | **100%** | **868.11** | **100%** | **44.24** | **100%** | **912.35** |
| | | | | | | | | |
| Adjustments arising out of consolidation | | (5,669.43) | | (32.35) | | 162.38 | | 130.03 |
| | | | | | | | | |
| **Share of Profit in Joint Venture** | | | | | | | | |
| **Indian Joint Venture** | | | | | | | | |
| Cybercom Datamatics Information Solutions Limited | | - | | 8.98 | | - | | 8.98 |
| | | | | | | | | |
| **Non Controlling Interest** | | | | | | | | |
| **Indian Subsidiaries** | | | | | | | | |
| Lumina Datamtics Limited | | 28.95 | | (3.18) | | (1.37) | | (4.55) |
| Attune Infocom Private Limited | | 16.69 | | (1.38) | | - | | (1.38) |
| Datamatics Digital Limited | | 52.36 | | (28.42) | | 0.08 | | (28.34) |
| Datamatics Staffing Services Limited | | 5.16 | | (0.19) | | 0.04 | | (0.15) |
| | | | | | | | | |
| **Foreign Subsidiaries** | | | | | | | | |
| Lumina Datamatics Assessment and Analytics, LLC | | 17.20 | | 1.29 | | - | | 1.29 |
| RJ Globus Solutions Inc | | (0.06) | | (12.38) | | - | | (12.38) |
| Cignex Datamatics Corporation | | 229.65 | | (54.12) | | 19.09 | | (35.03) |
| Duo Consulting, Inc. | | 43.72 | | (1.29) | | - | | (1.29) |
| **Total** | | **(5,275.76)** | | **(123.04)** | | **180.22** | | **57.18** |
| **Consolidated Net Assets / Profit after tax / OCI / TCI** | | **6,793.23** | | **745.07** | | **224.46** | | **969.53** |

# Notes forming part of the Consolidated Financial Statements (Contd.)

as at March 31, 2020

## Note 54: Corporate Social Responsibility

In view of the amendment in the section 135 of the Companies Act, 2013 vide The Companies Amendment Act, 2019, the Group has made provision towards unspent CSR obligation amounting to ₹ 10.34 million for the financial year 2018-19 and has also made provision of ₹ 10.33 million being the estimated amount of CSR obligation for the year ended March 31, 2020.

## Note 55: Impact of COVID-19

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

## Note 56: Previous Year Figures

Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation. Figures in the bracket indicates previous year figures.

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# INDEPENDENT AUDITOR'S REPORT

To,

**The Members of DATAMATICS GLOBAL SERVICES LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the accompanying standalone financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Company"), which comprise the Standalone Balance Sheet as at March 31, 2020, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity, the Standalone Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ("the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibility for the Audit of the Standalone Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Key Audit Matters

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

| Key Audit Matter | Auditor's Response |
|---|---|
| **A. Revenue recognition in respect of fixed price contract** | |
| The Company inter alia engages in fixed price contracts, wherein revenue is recognized using the percentage of completion method based on the company's estimate of contract cost. We identified revenue recognition of fixed price contract as a Key Audit Matter since:<br>· accuracy and existence of revenues and onerous obligations, in respect of fixed price contracts, involves critical estimates.<br>· these estimates have high inherent uncertainty as it requires determination of the progress of the contract, costs incurred till date and future costs required to complete the remaining contract and performance obligations.<br>· estimate of costs is a critical estimate to determine the revenues and liability for a contract and these contracts may involve onerous obligations which require critical assessment of future costs.<br>· at the year-end significant amount of unbilled revenue is recognized on the balance sheet date. | Our audit procedures included discussion with the management to obtain an understanding of the systems, processes and controls implemented by the Company for recording and computing the costs, revenue and other estimates associated with such contracts. Our audit approach was a combination of test of internal controls and substantive procedures which included the following:<br>· we evaluated the design of internal controls relating to recording of costs incurred and estimate of costs required to complete the performance obligations.<br>· we tested the access and application controls pertaining to time recording, allocation and budgeting systems which prevents unauthorised changes to recording of costs incurred.<br>· we selected a sample of contracts and tested the operating effectiveness of the internal controls relating to costs incurred and estimate of costs, through the inspection of performance of these controls.<br>· we selected a sample of contracts and performed a retrospective review of costs incurred with estimate of costs to identify significant variations and verify whether those variations have been considered in estimating the future costs required to complete the contract.<br>· we reviewed a sample of contracts with unbilled revenue to identify possible delays in achieving milestones, which require change in estimated costs to complete the remaining performance obligations.<br>· we performed analytical procedures and test of details for reasonableness of incurred and estimated costs. |

| Key Audit Matter | Auditor's Response |
|---|---|
| **B. Transactions with Related Parties** | |
| The company has material related party transactions during the year. Related party transactions impose limitations on the auditor's ability to obtain audit evidence that all other aspects of related party transactions (other than price) are equivalent to those of a similar arm's length transaction. Further the nature and complexity of such transactions and the involvement of management with respect to the roles and responsibilities of the entities involved in the transactions, makes it subjective. | Our audit procedures on transactions with related parties included the following:<br>· we obtained a comfort letter issued by the independent professional who is in charge of Transfer Pricing matters of the Company which states that the transactions are conducted at arm's length price.<br>· we also reviewed the income tax assessments of earlier years to corroborate whether the methodology adopted by the Company has been accepted by the income tax authorities in previous years.<br>· we also compared the pricing model and other terms of the current agreements with agreements of the previous years. |

**Other Information**

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

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

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

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including Accounting Standards specified under Section 133 of the Act ("Ind AS"). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The management and Board of Directors are responsible for overseeing the Company's financial reporting process.

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

· Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**Emphasis of Matter**

Attention is drawn to Note No. 41 to the standalone financial statements; the Company has an investment of ₹ 646.30 million in two wholly owned subsidiaries and has also extended loans and advances of ₹ 13.14 million to these subsidiaries as on March 31, 2020. The total net worth of these subsidiaries as on March 31, 2020 is ₹ 539.57 million which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future hence, no provision for diminution in the value of investment has been considered necessary by the management.

Our opinion is not modified in respect of this matter.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, based on our audit we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

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

   (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income, Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 44 to the standalone financial statements;

      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and

      iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

   (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.

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

Ashishkumar Bairagra
**Partner**
Membership No. 109931
UDIN: 20109931AAAAAO8406

Place: Mumbai
Date: May 14, 2020

# ANNEXURE A
TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 1 of 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report on the standalone financial statements of the company for the year ended March 31, 2020, we report the following:

i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.

(b) The fixed assets are physically verified by the management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. Pursuant to the program, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment, are held in the name of the Company. In respect of immovable properties, taken on lease and disclosed as right-of-use-assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. According to the information and explanations provided to us, the Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order is not applicable.

iii. According to the information and explanations provided to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) of the order are not applicable to the Company.

iv. In our opinion and according to information and explanations provided to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the companies Act, 2013.

v. According to the information and explanations provided to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified, and therefore clause 3(v) of the order is not applicable.

vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.

vii. (a) According to the information and explanations provided to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, custom duty, excise duty, value added tax, cess, goods and services tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records, there are no dues of sales tax, service tax, custom duty, excise duty, value added tax, cess and goods and services tax, which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of income tax are as under:

| Name of the Statute | Nature of the dues | Financial Year to which it relates | Forum where the dispute is pending | ₹ in million |
|---|---|---|---|---|
| Income Tax Act, 1961 | Income Tax dues | 2011-12 | Assistant Commissioner of Income Tax | 17.49 |

viii. In our opinion and according to information and explanations provided to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loans or borrowings from government, financial institution, and has not issued debentures during the year.

ix. In our opinion and according to information and explanations provided to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and through term loans during the year. Accordingly, clause 3(ix) of the order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations provided to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanations provided to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. According to the information and explanations provided to us, the nature of the activities of the Company does not attract any special statue applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.

xiii. According to the information and explanations provided to us, and based on our examination of the records of the Company, transactions with the related parties are in

compliance with Section 177 and Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

xiv. According to the information and explanations provided to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the order is not applicable to the Company.

xv. According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3(xv) of the Order is not applicable to the Company.

xvi. According to information and explanations provided to us, the Company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable to the Company.

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

Ashishkumar Bairagra
Partner
Membership No. 109931
UDIN: 20109931AAAAAO8406

Place: Mumbai
Date: May 14, 2020

# ANNEXURE B
**TO THE INDEPENDENT AUDITORS' REPORT**

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

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

**Opinion**

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

In our opinion, to the best of our knowledge and according to the information and explanations provided to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Auditors' Responsibility**

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

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

**Ashishkumar Bairagra**
Partner
Membership No. 109931
UDIN: 20109931AAAAAO8406

Place: Mumbai
Date: May 14, 2020

# Standalone Balance Sheet

as at March 31, 2020

(₹ in millions)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 3 | 898.35 | 907.01 |
| Capital work-in-progress | 3 | 4.09 | 8.95 |
| Goodwill | 4 | 99.24 | 99.24 |
| Other intangible assets | 4 | 53.09 | 85.07 |
| Right-to-use assets | 4 | 12.92 | - |
| Financial assets | | | |
| i. Investments | 5 | 2,503.25 | 2,496.09 |
| ii. Loans | 6 | 0.55 | 0.29 |
| iii. Other financial assets | 7 | 60.18 | 87.15 |
| Deferred tax assets | 8 (c) | 260.04 | 232.42 |
| Non-current tax assets (net) | 9 | 111.28 | 115.42 |
| Other non-current assets | 10 | 4.00 | 0.83 |
| **Total non-current assets** | | **4,006.99** | **4,032.47** |
| **Current assets** | | | |
| Financial assets | | | |
| i. Investments | 11 | 19.29 | 161.84 |
| ii. Trade receivables | 12 | 1,104.13 | 916.20 |
| iii. Cash and cash equivalents | 13 | 397.53 | 65.33 |
| iv. Bank balances other than (iii) above | 14 | 38.97 | 37.84 |
| v. Loans | 15 | 129.94 | 0.31 |
| vi. Other financial assets | 16 | 504.26 | 506.89 |
| Current tax assets (net) | 17 | 46.89 | 17.49 |
| Other current assets | 18 | 97.63 | 61.38 |
| **Total current assets** | | **2,338.64** | **1,767.28** |
| **Total Assets** | | **6,345.63** | **5,799.75** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 19(a) | 294.75 | 294.75 |
| Other equity | 19(b) | 4,619.97 | 4,470.84 |
| **Total equity** | | **4,914.72** | **4,765.59** |
| **LIABILITIES** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| i. Other financial liabilities | 20 | 33.80 | 18.04 |
| Provisions | 21 | 140.75 | 122.76 |
| **Total non-current liabilities** | | **174.55** | **140.80** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| i. Borrowings | 22 | 487.50 | 262.50 |
| ii. Trade payables | 23 | | |
| Dues of Micro enterprises and small enterprises | | 5.62 | 0.13 |
| Dues other than Micro enterprises and small enterprises | | 490.17 | 386.85 |
| iii. Other financial liabilities | 24 | 28.91 | 130.57 |
| iv. Lease liabilities | 25 | 15.66 | - |
| Provisions | 26 | 31.33 | 21.91 |
| Current tax liabilities (net) | 27 | 5.92 | - |
| Other current liabilities | 28 | 191.25 | 91.40 |
| **Total current liabilities** | | **1,256.36** | **893.36** |
| **Total liabilities** | | **1,430.91** | **1,034.16** |
| **Total Equity and Liabilities** | | **6,345.63** | **5,799.75** |

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# Standalone Statement of Profit and Loss

for the year ended March 31, 2020

(₹ in millions)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Revenue from Operations | 29 | 4,158.35 | 3,896.72 |
| Other Income | 30 | 143.36 | 66.49 |
| **Total income** | | **4,301.71** | **3,963.21** |
| **Expenses** | | | |
| Purchase of Products and Licenses | 31 | 99.73 | 36.62 |
| Employee Benefit Expenses | 32 | 2,660.05 | 2,332.11 |
| Finance Costs | 33 | 24.35 | 34.50 |
| Depreciation and Amortisation Expenses | 34 | 129.15 | 120.32 |
| Other Expenses | 35 | 969.40 | 1,047.31 |
| **Total expenses** | | **3,882.68** | **3,570.86** |
| **Profit before tax** | | **419.03** | **392.35** |
| Tax expense | | | |
| - Current tax | 8(a) | 102.91 | 102.44 |
| - Deferred tax | 8(a) | 8.72 | (2.45) |
| **Total tax expense** | | **111.63** | **99.99** |
| **Profit for the year** | | **307.40** | **292.36** |

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

(₹ in millions)

| Particulars | Note | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **Items that will be reclassified to profit or loss** | | | |
| Deferred gains/ losses on cash flow hedge | | (87.12) | 68.97 |
| Tax relating to above | | 29.14 | (42.68) |
| | | **(57.98)** | **26.29** |
| **Items that will not be reclassified to profit or loss** | | | |
| Actuarial gains and losses | | (26.84) | (3.97) |
| Changes in fair value of FVOCI instruments | | (7.17) | 1.64 |
| Tax relating to above | | 6.03 | 1.47 |
| | | **(27.98)** | **(0.86)** |
| **OCI for the year** | | **(85.96)** | **25.43** |
| Total comprehensive income for the year | | **221.44** | **317.79** |
| **Earnings per Equity Share (of ₹ 5 each)** | | | |
| Basic and Diluted | 42 | 5.21 | 4.96 |

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# Statement of changes in equity

for the year ended March 31, 2020

## A. Equity share capital

| Particulars | (₹ in millions) |
|---|---|
| **As at March 31, 2018** | **294.75** |
| Changes in equity share capital | - |
| **As at March 31, 2019** | **294.75** |
| Changes in equity share capital | - |
| **As at March 31, 2020** | **294.75** |

## B. Other equity

(₹ in millions)

| | Reserves and surplus | | | | | Other comprehensive income | | | Total other equity |
|---|---|---|---|---|---|---|---|---|---|
| | Securities premium | Retained earnings | General reserve | Capital reserve | Capital redemption reserve | Equity investments | Actuarial gains and losses | Cash flow hedging reserve | |
| **As at March 31, 2018** | **1,080.08** | **1,721.80** | **1,077.14** | **35.60** | **244.28** | **2.63** | **(5.61)** | **21.74** | **4,177.66** |
| Profit for the year | - | 292.36 | - | - | - | - | - | - | **292.36** |
| Other comprehensive income | - | - | - | - | - | 1.64 | (2.50) | 26.29 | **25.43** |
| Dividends paid (including taxes of ₹ 9.85 million) | - | (24.61) | - | - | - | - | - | - | **(24.61)** |
| **As at March 31, 2019** | **1,080.08** | **1,989.55** | **1,077.14** | **35.60** | **244.28** | **4.27** | **(8.11)** | **48.03** | **4,470.84** |
| Profit for the year | - | 307.40 | - | - | - | - | - | - | **307.40** |
| Adjustment for Ind AS 116 (Refer Note No. 40) | - | (3.44) | - | - | - | - | - | - | **(3.44)** |
| Other comprehensive income | - | - | - | - | - | (7.65) | (20.33) | (57.98) | **(85.96)** |
| Dividends paid (incuding taxes of ₹ 9.92 million ) | - | (68.87) | - | - | - | - | - | - | **(68.87)** |
| **As at March 31, 2020** | **1,080.08** | **2,224.64** | **1,077.14** | **35.60** | **244.28** | **(3.38)** | **(28.44)** | **(9.95)** | **4,619.97** |

The accompanying notes forming an integral part of the standalone financial statements

As per our attached report of even date
**For M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on behalf of the Board

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

# Standalone Cash flow statement

for the year ended March 31, 2020

(₹ in Millions)

| | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **A.** | **Cash flow from operating activities** | | |
| | Profit before tax | 419.03 | 392.35 |
| | **Adjustments for :** | | |
| | Depreciation and amortisation expense | 107.58 | 120.32 |
| | Provision for doubtful debts, advances | 31.84 | 11.04 |
| | Provision no longer required written back | 2.95 | (1.62) |
| | Lease Rent Ind AS 116 impact (net) | (1.88) | - |
| | Unrealised foreign exchange (gain) / loss | (18.59) | 7.82 |
| | (Profit) / loss on sale fixed assets (net) | (0.45) | 0.03 |
| | Interest expense | 17.82 | 31.19 |
| | Unrealised gain on fair value of financial assets | (8.72) | (26.57) |
| | Profit on sale of investments | (18.96) | (7.80) |
| | Dividend income | (11.22) | (0.49) |
| | Interest income | (8.23) | (0.68) |
| | **Operating profit before working capital changes** | **511.17** | **525.59** |
| | **Adjustments for :** | | |
| | (Increase) / decrease in trade receivables | (187.77) | 1.56 |
| | (Increase) / decrease in loans | (129.89) | 2.48 |
| | (Increase) in other financial and non-financial assets | (66.76) | (178.37) |
| | Increase in trade payables | 98.58 | 71.42 |
| | Increase in other financial and non-financial liabilities | 100.55 | 60.50 |
| | **Cash generated from operations** | **325.88** | **483.18** |
| | Direct taxes paid (net) | (122.25) | (120.95) |
| | **Net cash flow from operating activities (A)** | **203.63** | **362.23** |
| **B.** | **Cash flow from investing activities** | | |
| | Purchase of fixed assets / capital work-in-progress | (62.85) | (56.00) |
| | Sale of fixed assets | 1.22 | 5.30 |
| | Payment towards acquisition of subsidiary | (109.11) | (55.00) |
| | Sale of non-current investments | - | 12.38 |
| | Investment in preference shares in subsidiaries | - | 18.33 |
| | (Purchase) / sale of current investments (net) | 149.00 | (44.05) |
| | Dividend received from others | 0.51 | 0.49 |
| | Dividend received from joint venture | 10.71 | - |
| | Interest received | 0.09 | 0.85 |
| | **Net cash flow used in investing activities (B)** | **(10.43)** | **(117.70)** |
| **C.** | **Cash flow from financing activities** | | |
| | Proceeds / (repayment) from / of short-term borrowings | 225.00 | (201.43) |
| | Dividend paid | (68.87) | (24.61) |
| | Interest paid | (17.13) | (31.19) |
| | **Net cash flow from / (used in) financing activities (C)** | **139.00** | **(257.23)** |
| | Net cash flow during the year (A+B+C) | 332.20 | (12.70) |
| | Cash and cash equivalents at the beginning of the year | 65.33 | 78.03 |
| | **Net cash and cash equivalents at the end of the year (Refer Note No.13)** | **397.53** | **65.33** |

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

For and on Behalf of the Board

**Ashishkumar Bairagra**
Partner
Membership No. 109931

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

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

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

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

**Sandeep Mantri**
Chief Financial Officer

Place : Mumbai
Dated : May 14, 2020

# Notes forming part of the Standalone Financial Statements

as at March 31, 2020

## Note 1: General Information

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

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

## Note 2: Significant Accounting Policies

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

### i) Compliance with Ind AS

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

The standalone financial statements were approved by the Company's Board of Directors and authorised for issue on May 14, 2020.

### ii) Historical cost convention

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

*certain financial assets and liabilities (including derivative instruments) which is measured at fair value;

*defined benefit plans – plan assets measured at fair value

### iii) Measurement of fair values

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

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

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

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

### iv) Ind AS 116, Leases

Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases" and applied to its Lease contracts existing on April 1, 2019, using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Accordingly, the comparatives for the year ended March 31, 2019 have not been retrospectively adjusted. Refer Note 40 for further details.

### v) Appendix C to Ind AS 12, Uncertainity over Income tax treatment

The Ministry of Corporate Affairs ( "MCA") has notified the companies (Indian Accounting Standards) Amendment Rules,2019 Containing Appendix C to Ind AS 12, uncertainity over Income tax treatments which clarifies the application and measurment requirements in Ind AS 12 when there is uncertainity over income tax treatments. The current and deferred tax asset or liability shall be recognised and measured by applying the requirements in Ind AS 12 based on the taxable profit (tax loss), tax bases, unused tax losses, unused tax credit and tax rates determined by applying this appendix. The amendment is effective from April 1, 2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that there is no significant impact.

### vi) Amendment to Ind AS 19, Employee Benefits

The Ministry of Corporate Affairs has notified limited amendments to Ind AS 19 'Employee Benefits' in connection with accounting for plan amendments, curtailments or settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement and to recognise in profit or loss as part of past service cost, or a gain or loss on settlement. Any reduction in a surplus, even if that surplus was not previosuly recognised because of impact of the assets ceilling. The amendment is effective from April 1,2019. The Company has evaluated the effect of this amendment on the financial statements and concluded that this amendment is currently not applicable.

**b) Use of Estimates**

The preparation of financial statements in conformity with

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

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

**c) Foreign currency translation**

**i) Functional and presentation currency**

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

**ii) Transactions and balances**

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

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in the Statement of Profit and Loss in the year in which it arises.

**d) Revenue recognition**

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

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

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

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

Revenue from subsidiaries is recognised based on transaction price of services which is at arm's length.

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

**e) Income tax**

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

**Current income taxes**

The current tax expense include income tax expense payable by the company in India. Advance taxes and provision for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in same tax jurisdictions.

**Deferred tax**

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

In the situations where Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

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

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

**f) Leases**

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

Refer note 2 (f) - Significant acocunting policies - Leases in the annual report of the Company for the year ended March 31, 2019, for the policy as per Ind AS 17.

**g) Cash and cash equivalents**

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

**h) Cash Flow Statement**

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

**i) Trade receivables**

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

**j) Investments and other financial assets**

**i) Classification**

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

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

* those measured at amortised cost.

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

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

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

**ii) Measurement**

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

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

**Debt instruments**

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

* Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

* Impairment of investment in subsidiary: The Company reviews its carrying value of investments carried at amortised cost annually, or more frequently, when there is indication for impairment. If the recoverable amount is less than carrying amount, the impairment loss is accounted for.

* Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

* Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

**Equity instruments**

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

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

**iii) Impairment of financial assets**

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37 details how the company determines whether there has been a significant increase in credit risk.

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

**iv) Derecognition of financial assets**

A financial asset is derecognised only when

* The company has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

**v) Income recognition**

**Interest income**

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Dividends**

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

**k) Derivatives and hedging activities**

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

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

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

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

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

hedging instrument recognised in Other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in other comprehensive income is transferred to the Statement of Profit and Loss for the year.

**l) Offsetting financial instruments**

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

**m) Property, Plant and Equipment**

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

**Depreciation methods, estimated useful lives and residual value**

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

**n) Intangible assets**

**i) Goodwill**

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

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

**ii) Trademarks, copyrights and other rights**

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

**iii) Computer software**

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

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

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

**iv) Other intangible assets**

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

**v) Amortisation methods and periods**

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

| Particulars | Useful Life |
|---|---|
| Computer Software | 3 years |
| Non-Compete Fees | 5 years |
| Copy Rights | 3 years |
| Trade Mark | 3 years |
| Other Intangible assets | 3 years |

**o) Trade and other payables**

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

**p) Borrowings**

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

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

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

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

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

**q) Borrowing costs**

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

**r) Provision, Contingent Liabilities and Contingent Assets**

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

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

Contingent Assets are neither recognised nor disclosed.

**s) Employee benefits**

**i) Defined Contribution Plan**

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

**ii) Defined Benefit Plan**

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

**iii) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**t) Contributed equity**

Equity shares are classified as equity.

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

**u) Earnings per share**

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

**v) Recent Indian Accounting Standards (Ind AS)**

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

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 3 - Property, plant and equipment

(₹ in millions)

| Particulars | Land | Leasehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Air Conditioners | Electrical Fittings | Leasehold Improvements | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Carrying cost As at March 31, 2018** | **302.85** | **270.30** | **181.09** | **4.57** | **56.82** | **18.46** | **10.68** | **102.74** | **23.12** | **31.66** | **79.54** | **1,081.83** | **10.32** |
| Additions | - | - | 0.37 | - | 4.46 | 2.43 | 1.58 | 20.47 | 0.44 | 0.43 | 1.87 | 32.05 | - |
| Disposals | - | - | - | - | (0.01) | (1.41) | - | (3.55) | - | (0.05) | - | (5.02) | (1.37) |
| **Carrying cost As at March 31, 2019** | **302.85** | **270.30** | **181.46** | **4.57** | **61.27** | **19.48** | **12.26** | **119.66** | **23.56** | **32.04** | **81.41** | **1,108.86** | **8.95** |
| Additions | - | - | 8.74 | - | 1.85 | 7.52 | 1.59 | 24.21 | 3.92 | 0.31 | - | 48.14 | 3.33 |
| Disposals | - | - | (0.02) | (0.15) | - | (1.48) | (0.12) | (0.16) | - | - | - | (1.93) | (8.20) |
| **Carrying cost As at March 31, 2020** | **302.85** | **270.30** | **190.18** | **4.43** | **63.12** | **25.52** | **13.72** | **143.71** | **27.48** | **32.35** | **81.41** | **1,155.07** | **4.09** |

(₹ in millions)

| Particulars | Land | Leasehold Land | Buildings | Plant & Equipment | Furniture & Fixtures | Vehicles | Office Equipments | Computers | Air Conditioners | Electrical Fittings | Leasehold Improvements | Total | Capital work-in-progress |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Accumulated depreciation As at March 31, 2018** | **-** | **9.36** | **11.95** | **1.33** | **20.12** | **6.78** | **5.76** | **56.10** | **7.54** | **11.08** | **6.93** | **136.95** | **-** |
| Depreciation charge during the year | - | 4.68 | 1.63 | 0.67 | 7.45 | 2.71 | 1.26 | 27.64 | 9.91 | 6.10 | 4.42 | 66.47 | - |
| Disposals | - | - | - | - | (0.01) | (0.65) | - | (0.85) | - | (0.06) | - | (1.57) | - |
| **Accumulated depreciation As at March 31, 2019** | **-** | **14.04** | **13.58** | **2.00** | **27.56** | **8.84** | **7.02** | **82.89** | **17.45** | **17.12** | **11.35** | **201.85** | **-** |
| Depreciation charge during the year | - | 4.61 | 3.85 | 0.51 | 6.72 | 2.76 | 1.10 | 23.45 | 2.93 | 5.64 | 4.46 | 56.02 | - |
| Disposals | - | - | - | (0.07) | - | (0.97) | (0.00) | (0.12) | - | - | - | (1.16) | - |
| **Accumulated depreciation As at March 31, 2020** | **-** | **18.65** | **17.43** | **2.44** | **34.28** | **10.63** | **8.12** | **106.22** | **20.38** | **22.76** | **15.81** | **256.72** | **-** |
| **Net carrying amount as at March 31, 2020** | **302.85** | **251.65** | **172.75** | **1.99** | **28.84** | **14.89** | **5.60** | **37.49** | **7.10** | **9.59** | **65.60** | **898.35** | **4.09** |
| **Net carrying amount as at March 31, 2019** | **302.85** | **256.26** | **167.88** | **2.57** | **33.71** | **10.64** | **5.24** | **36.77** | **6.11** | **14.92** | **70.06** | **907.01** | **8.95** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 4 - Intangible assets, Goodwill and Right-to-use assets

(₹ in millions)

| Particulars | Other Intangibles | Computer Softwares | Non-Compete Fees | Copy Rights | Trade Mark | Total | Goodwill | Right to Use Assets |
|---|---|---|---|---|---|---|---|---|
| **Carrying cost As at March 31, 2018** | **52.81** | **107.65** | **29.66** | **8.35** | **0.02** | **198.49** | **99.24** | **-** |
| Additions | - | 23.91 | - | - | 1.41 | 25.32 | - | - |
| Disposals | - | (1.58) | - | - | (0.50) | (2.08) | - | - |
| **Carrying cost As at March 31, 2019** | **52.81** | **129.98** | **29.66** | **8.35** | **0.93** | **221.73** | **99.24** | **-** |
| Additions | 0.81 | 18.04 | - | - | 0.73 | 19.58 | - | 34.49 |
| Disposals | - | - | - | - | - | - | - | - |
| **Carrying cost As at March 31, 2020** | **53.62** | **148.02** | **29.66** | **8.35** | **1.66** | **241.31** | **99.24** | **34.49** |

(₹ in millions)

| Particulars | Other Intangibles | Computer Softwares | Non-Compete Fees | Copy Rights | Trade Mark | Total | Goodwill | Right to Use Assets |
|---|---|---|---|---|---|---|---|---|
| **Accumulated amortisation and impairment As at March 31, 2018** | **-** | **63.30** | **15.43** | **4.29** | **-** | **83.02** | **-** | **-** |
| Amortisation charge during the year | 17.59 | 27.45 | 6.70 | 1.87 | 0.24 | 53.85 | - | - |
| Disposals | - | (0.10) | - | - | (0.11) | (0.21) | - | - |
| **Accumulated amortisation and impairment As at March 31, 2019** | **17.59** | **90.65** | **22.13** | **6.16** | **0.13** | **136.66** | **-** | **-** |
| Amortisation charge during the year | 17.59 | 24.83 | 6.72 | 1.88 | 0.53 | 51.56 | - | 21.57 |
| Disposals | - | - | - | - | - | - | - | - |
| **Accumulated amortisation and impairment As at March 31, 2020** | **35.19** | **115.48** | **28.85** | **8.04** | **0.66** | **188.22** | **-** | **21.57** |
| | | | | | | | | |
| **Net carrying amount as at March 31, 2020** | **18.43** | **32.54** | **0.81** | **0.31** | **1.00** | **53.09** | **99.24** | **12.92** |
| **Net carrying amount as at March 31, 2019** | **35.19** | **39.33** | **7.53** | **2.21** | **0.81** | **85.07** | **99.24** | **-** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 5 - Investments (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Investment in equity instruments (fully paid-up)** | | |
| **Quoted (at Fair Value through OCI) (FVOCI)** | | |
| 18,234 (P.Y. 18,234) fully paid Equity Shares of ₹ 2 each of Wipro Limited | 3.58 | 4.65 |
| 5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited | 0.02 | 0.09 |
| 800 (P.Y. 800) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited | 0.23 | 0.54 |
| 8,998 (P.Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited | 1.26 | 2.13 |
| 38,767 (P.Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation | 6.16 | 7.67 |
| 5,000 (P.Y. 5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited | 1.90 | 3.89 |
| 1,800 (P.Y. 1,800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited | 1.45 | 2.49 |
| 900 (P.Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited | 0.03 | 0.04 |
| 35,200 (P.Y. 35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited | 0.08 | 0.39 |
| | | |
| **Investment in equity instruments (fully paid-up)** | | |
| **In subsidiaries - Wholly Owned - Unquoted (at cost)** | | |
| 1,000 (P.Y. 1,000) no par value common stock in Datamatics Global Services Inc. | 644.04 | 644.04 |
| 20,000 (P.Y. 20,000) equity shares of Datamatics Infotech Limited of GBP 1 each | 1.71 | 1.71 |
| 50,000 (P.Y. 50,000) equity shares of Datamatics Global Technologies AG of CHF 1 each | 2.26 | 2.26 |
| 1,000,000 (P.Y. 1,000,000) equity shares of Datamatics Global Technologies Limited of USD 1 each | 46.05 | 46.05 |
| 50,000 (P.Y. 50,000) equity shares of Datamatics Global Services Pty Limited of AUD 1 each | 1.56 | 1.56 |
| 10,028,655 (P.Y. Nil) equity shares of Lumina Datamatics Limited of ₹ 10 each | 907.60 | - |
| 50 (P.Y. 50) equity shares of Datamatics Global Services FZ - LLC of AED 1,000 each | 0.86 | 0.86 |
| 50,000 (P.Y. 50,000) equity shares of LD Publishing & eRetail Limited of ₹ 10 each | 0.50 | 0.50 |
| 5,500,000 (P.Y. Nil) fully paid equity shares of Datamatics Digital Limited of ₹ 1 each | 555.11 | - |
| | | |
| **In Subsidiaries - Others- Unquoted (at cost)** | | |
| Nil (P.Y. 10,028,655) equity shares of Lumina Datamatics Limited of ₹ 10 each | - | 907.60 |
| Nil (P.Y. 3,909,996) fully paid equity shares of Datamatics Digital Limited of ₹ 1 each | - | 562.00 |
| | | |
| **In Joint venture - Others- Unquoted (at cost)** | | |
| 428,400 (P.Y. 428,400) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each | 7.94 | 7.94 |
| | | |
| **Investment in preference shares** | | |
| **Unquoted (at FVTPL)** | | |
| **In subsidiaries - Wholly Owned** | | |
| 12,350,000 (P.Y. 12,350,000) fully paid Series II & III 8% Non Cumulative Redeemable Preference shares of Datamatics Global Technologies Limited of USD 1 each | 166.35 | 134.34 |
| 27,670,856 (P.Y. 27,670,856) 9% Redeemable Preference Shares of Lumina Datamatics Limited of ₹ 10 each | 154.56 | 165.34 |
| **Total** | **2,503.25** | **2,496.09** |
| | | |
| Aggregate amount of quoted investments | 14.72 | 21.89 |
| Aggregate amount of unquoted investments | 2,488.53 | 2,474.20 |
| Aggregate market value of quoted investments | 14.72 | 21.89 |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 6 - Loans (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| (Unsecured, considered Good, unless specified otherwise) | | |
| Others - | | |
| Loan to employees | 0.55 | 0.29 |
| **Total** | **0.55** | **0.29** |

## Note 7 - Other financial assets (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Security deposits | 55.07 | 42.34 |
| Less: Allowance for doubtful deposits | 6.17 | 6.17 |
| Net security deposits | 48.90 | 36.17 |
| Fair value of outstanding forward contracts (FVOCI) | 2.72 | 33.50 |
| Fair value of outstanding corporate guarantees (FVTPL) | 8.56 | 17.48 |
| **Total** | **60.18** | **87.15** |

## Note 8 - Taxation

### 8(a) - Income tax expense

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Current tax** | | |
| Current tax on profits for the year | 102.21 | 107.56 |
| Adjustments for current tax of prior periods | 0.70 | (5.12) |
| **Total current tax expense** | **102.91** | **102.44** |
| | | |
| **Deferred tax** | | |
| Decrease/(increase) in deferred tax assets | 8.72 | (4.33) |
| Adjustments for deferred tax of prior periods | - | 1.88 |
| **Total deferred tax expense/(benefit)** | **8.72** | **(2.45)** |
| **Income tax expense** | **111.63** | **99.99** |

### 8(b) - Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Profit for the year | 419.03 | 392.35 |
| Statutory tax rate applicable* | 25.17% | 34.94% |
| Tax expense at applicable tax rate | 105.46 | 137.10 |
| Effects of: | | |
| Income taxed at higher/ (lower) rates | (1.58) | (4.28) |
| Amounts which are not deductible (taxable) | (0.95) | 2.46 |
| Tax holiday & exempt income | (2.79) | (22.14) |
| Adjustments for tax of prior periods | 2.05 | (3.24) |
| Basis difference that will reverse during tax holiday period | - | (0.01) |
| Taxable due to change in tax base | (10.36) | (9.38) |
| Previously unrecognised tax losses now recouped to reduce current tax expense | 19.89 | - |
| Other | (0.09) | (0.52) |
| **Income tax expense** | **111.63** | **99.99** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

**8( c)- Deferred tax**

(₹ in millions)

| Particulars | March 31, 2019 | Recognized in P&L | MAT credit utilised | Retained earnings | Recognized in OCI | March 31, 2020 |
|---|---|---|---|---|---|---|
| **Deferred Tax Assets** | | | | | | |
| Employee benefits | 46.72 | (11.78) | - | - | 5.66 | 40.60 |
| Provision for doubtful debts | 35.08 | (6.98) | - | - | - | 28.10 |
| Investment In subsidiaries | 188.07 | (0.07) | - | - | - | 188.00 |
| MAT credit | 4.86 | (4.86) | - | - | - | - |
| Others | 20.25 | 1.23 | - | 1.16 | - | 22.66 |
| **Total Deferred Tax Assets** | **294.98** | **(22.46)** | **-** | **1.16** | **5.66** | **279.36** |
| **Deferred Tax Liabilities** | | | | | | |
| Depreciation | 32.37 | (9.34) | - | - | - | 23.03 |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | 4.40 | (4.39) | - | - | (0.37) | (0.36) |
| Cash flow hedging | 25.79 | - | - | - | (29.14) | (3.35) |
| **Total Deferred Tax Liabilities** | **62.56** | **(13.74)** | **-** | **-** | **(29.51)** | **19.32** |
| **Net Deferred Tax** | **232.42** | **(8.72)** | **-** | **1.16** | **35.17** | **260.04** |

(₹ in millions)

| Particulars | March 31, 2018 | Recognized in P&L | MAT credit utilised | Retained earnings | Recognized in OCI | March 31, 2019 |
|---|---|---|---|---|---|---|
| **Deferred Tax Assets** | | | | | | |
| Employee benefits | 37.73 | 7.58 | - | - | 1.41 | 46.72 |
| Provision for doubtful debts | 42.04 | (6.96) | - | - | - | 35.08 |
| Investment In subsidiaries | 174.91 | 13.16 | - | - | - | 188.07 |
| MAT credit | 87.50 | - | (82.64) | - | - | 4.86 |
| Others | 16.16 | 4.09 | - | - | - | 20.25 |
| **Total Deferred Tax Assets** | **358.34** | **17.87** | **(82.64)** | **-** | **1.41** | **294.98** |
| **Deferred Tax Liabilities** | | | | | | |
| Depreciation | 18.26 | 14.12 | - | - | - | 32.37 |
| Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income | 3.10 | 1.35 | - | - | (0.06) | 4.40 |
| Cash flow hedging | (16.89) | - | - | - | 42.68 | 25.79 |
| Others | 0.05 | (0.05) | - | - | - | - |
| **Total Deferred Tax Liabilities** | **4.52** | **15.42** | **-** | **-** | **42.62** | **62.56** |
| **Net Deferred Tax** | **353.82** | **2.45** | **(82.64)** | **-** | **(41.21)** | **232.42** |

* A new section 115BAA was inserted in the IT Act 1961 by the Govt of India on Sept 20, 2019 wide the Taxation Laws (Amendment) Ordinance 2019, which provides the option to pay income-tax at reduce rate in accordance with the provision/conditions defined in the said section. Accordingly the company have exercised and recognised the income tax on the basis of that section and remeasured the current tax and deferred tax during the year.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 9 - Non-current tax assets (net)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance tax and tax deducted at source (net of provision for tax) | 111.28 | 115.42 |
| **Total** | **111.28** | **115.42** |

## Note 10 - Other non-current assets

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Prepaid expenses | 3.95 | 0.78 |
| Balance with Government authorities | 0.05 | 0.05 |
| **Total** | **4.00** | **0.83** |

## Note 11 - Investments (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **Investment in mutual funds** | | |
| **Quoted (at FVTPL)** | | |
| 11,411 (P.Y. Nil) units of Kotak Overnight Fund - Growth (face Value of ₹ 1,000 each) | 12.16 | - |
| 3 (P.Y. Nil) units of Motilal Oswal Home Finance Limited of ₹ 1,063,447/- each | 3.19 | - |
| 13,485 (P.Y. 298,051) units of ICICI Prudential Liquid Fund - Growth (Face Value of ₹ 100 each) | 3.94 | 82.08 |
| Nil (P.Y. 2,563,272) units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each) | - | 55.73 |
| Nil (P.Y. 375,340) units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each) | - | 4.78 |
| Nil (P.Y. 133,518) units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each) | - | 4.54 |
| Nil (P.Y. 205,295) units of Aditya Birla Sun Life Corporate Bond Fund - Growth (Face Value of ₹10 each) | - | 14.71 |
| **Total** | **19.29** | **161.84** |
| Aggregate amount of quoted investments | 19.29 | 161.84 |
| Aggregate market value of quoted investments | 19.29 | 161.84 |

## Note 12 - Trade receivables

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unsecured | | |
| Considered Good (Refer Note No. 39) | 1,124.24 | 916.20 |
| Less :- Allowance for expected credit loss | 20.11 | - |
| | 1,104.13 | 916.20 |
| Credit impaired | 82.87 | 94.21 |
| Less :- Allowance for expected credit loss (Refer Note No. 37) | 82.87 | 94.21 |
| | - | - |
| **Total** | **1,104.13** | **916.20** |
| | | |
| Trade receivable includes receivable from related parties (Refer Note No. 39). | | |

## Note 13 - Cash and cash equivalents

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Balances with bank: | | |
| - in Current Acocunt | 113.77 | 52.18 |
| - in Deposit Acocunt | 278.60 | - |
| Cash on hand | 5.16 | 2.41 |
| Cheque on hand | - | 10.74 |
| **Total** | **397.53** | **65.33** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 14 - Other bank balances

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Margin money deposits* | 37.20 | 36.09 |
| Unpaid dividend account** | 1.77 | 1.75 |
| **Total** | **38.97** | **37.84** |

* Of the above ₹ 37.20 million ( As at March 31, 2019: ₹ 36.09 million) are marked as lien for guarantees issued by banks on behalf of the Company.

** The Company can utilise balances only towards settlement of the unpaid dividend.

## Note 15 - Loans (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| (Unsecured, Considered Good, unless specified otherwise) | | |
| To Related Party- | | |
| Loan to Subsidiary (Refer Note No. 39)* | 129.30 | - |
| To Others- | | |
| Loan to employees | 0.64 | 0.31 |
| **Total** | **129.94** | **0.31** |

* The loan is given to step down subsidiary for meeting working capital needs. The loan is repayble on demand. Rate of interest is 8.70%

## Note 16 - Other financial assets (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Security deposits | 7.30 | 9.06 |
| Less: Allowance for doubtful deposit | (2.50) | - |
| | 4.80 | 9.06 |
| Advances to related parties (Refer Note No. 39) | 37.64 | 37.48 |
| Others- | | |
| Interest receivable | 8.19 | 0.05 |
| Fair Value of Outstanding Forward Contracts (FVOCI) | 27.00 | 45.13 |
| Unbilled Revenue | 426.63 | 415.17 |
| **Total** | **504.26** | **506.89** |

## Note 17 - Current tax assets (net)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance tax and tax deducted at source (net of provision for tax) | 46.89 | 17.49 |
| **Total** | **46.89** | **17.49** |

## Note 18 - Other current assets

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Advance to Vendors | 42.13 | 17.00 |
| Advance to staff | 6.10 | 5.57 |
| Balance with govt authorities | 12.64 | 3.81 |
| Prepaid expenses | 29.77 | 35.00 |
| Other assets | 6.99 | - |
| **Total** | **97.63** | **61.38** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 19 - Share capital and other equity

**19(a) - Equity share capital**

**(i) Authorised share capital of face value of ₹ 5/- each**

| Particulars | Number of shares | (₹in millions) |
|---|---|---|
| **As at March 31, 2018** | **104,000,000** | **520.00** |
| Increase during the year | - | - |
| **As at March 31, 2019** | **104,000,000** | **520.00** |
| Increase during the year | - | - |
| **As at March 31, 2020** | **104,000,000** | **520.00** |

Authorised redeemable preference share capital of face value of ₹ 10/- each

| Particulars | Number of shares | (₹in millions) |
|---|---|---|
| **As at March 31, 2018** | **45,550,000** | **455.50** |
| Increase during the year | - | - |
| **As at March 31, 2019** | **45,550,000** | **455.50** |
| Increase during the year | - | - |
| **As at March 31, 2020** | **45,550,000** | **455.50** |

Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5/- each

| Particulars | Number of shares | (₹in millions) |
|---|---|---|
| **As at March 31, 2018** | **58,949,337** | **294.75** |
| Increase during the year | - | - |
| **As at March 31, 2019** | **58,949,337** | **294.75** |
| Increase during the year | - | - |
| **As at March 31, 2020** | **58,949,337** | **294.75** |

**(ii) Movements in equity share capital**

| Particulars | Number of shares | (₹in millions) |
|---|---|---|
| **As at March 31, 2018** | **58,949,337** | **294.75** |
| Other movements | - | - |
| **As at March 31, 2019** | **58,949,337** | **294.75** |
| Other movements | - | - |
| **As at March 31, 2020** | **58,949,337** | **294.75** |

**(iii) Shares of the company held by holding company**

**(₹in millions)**

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| 32,098,742 (31,813,742) Equity shares of ₹ 5/- held by Delta Infosolutions Private Limited | 165.00 | 159.07 |

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

| Particulars | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|
| | Number of shares | % Holding | Number of shares | % Holding |
| Delta Infosolutions Private Limited | 32,098,742 | 54.45% | 31,813,742 | 53.97% |
| Lalit Surajmal Kanodia | 3,688,265 | 6.26% | 3,477,995 | 5.90% |
| Asha Lalit Kanodia | 3,305,258 | 5.61% | 3,305,258 | 5.61% |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

**(v) Terms / rights attached to equity shares**

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 14, 2020 have not proposed any dividend.

**19(b) - Other equity***

(₹ in millions)

| Particulars | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| Securities premium | Refer Note (i) below | 1,080.08 | 1,080.08 |
| Retained earnings | | 2,224.64 | 1,989.55 |
| General reserve | Refer Note (ii) below | 1,077.14 | 1,077.14 |
| Capital reserve | Refer Note (iii) below | 35.60 | 35.60 |
| Capital redemption reserve | Refer Note (iv) below | 244.28 | 244.28 |
| OCI - | | | |
| Equity investments | Refer Note (v) below | (3.38) | 4.27 |
| Actuarial gains and losses | | (28.44) | (8.11) |
| Cash flow hedging reserve | Refer Note (vi) below | (9.95) | 48.03 |
| **Total** | | **4,619.97** | **4,470.84** |

* For movement of reserves, refer statement of changes in equity

**Nature of reserves**

**(i) Securities Premium**

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

**(ii) General Reserve**

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

**(iii) Capital Reserve**

Capital reserve created on the merger of one of the subsidiaries with the company.

**(iv) Capital Redemption Reserve**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

**(v) OCI - Equity investments**

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

**(vi) OCI - Cash Flow Hedging Reserve**

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 20 - Other financial liabilities (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Creditor for capital expenditure | 0.53 | 0.56 |
| Fair value of outstanding forward contracts (FVOCI) | 24.71 | - |
| Fair value of outstanding corporate guarantees (FVTPL) | 8.56 | 17.48 |
| **Total** | **33.80** | **18.04** |

## Note 21 - Provisions (Non-current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unfunded (Refer Note No. 43) | | |
| Provisions for employee benefits | | |
| Gratuity | 107.56 | 81.10 |
| Leave encashment | 33.19 | 41.66 |
| **Total** | **140.75** | **122.76** |

## Note 22 - Current borrowings

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| From Banks (Secured)* | 400.00 | - |
| From Others (Secured)* | 87.50 | 262.50 |
| **Total** | **487.50** | **262.50** |

*Notes-

Working capital loans from Standard Chartered Bank, ICICI Bank and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipments of the Company, both, past and present.

Term loan from Citicorp Finance (India) Limited is secured by way of creation of mortgage and exclusive charge in favour of company in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik.

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the financial institution hence considered as current borrowings.

## Note 23 - Trade payables

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Dues of Micro enterprise and small enterprises | 5.62 | 0.13 |
| Dues other than Micro enterprise and small enterprises | 490.17 | 386.85 |
| **Total** | **495.79** | **386.98** |

Micro and Small enterprises have been identified by the Company on the basis of the information available. Total outstanding dues of Micro and Small enterprises, which are outstanding for more than the stipulated period and other disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given below :

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **(a) Dues remaining unpaid** | | |
| - Principal | - | 0.13 |
| - Interest on above* | - | 0.01 |
| **(b) Interest paid in terms of Section 16 of MSMED Act** | | |
| - Principal paid beyond the appointed date | - | - |
| - Interest paid in terms of Section 16 of MSMED Act | 0.01 | - |
| **(c ) Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year** | - | - |
| **(d) Amount of interest accrued and unpaid*** | - | - |

* The Company has not provided any interest on the amount outstanding beyond stipulated period in previous year.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 24 - Other financial liabilities (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest accrued but not due | 0.69 | - |
| Fair value of contingent consideration | - | 116.00 |
| Fair value of outstanding forward contracts (FVOCI) | 18.31 | 4.82 |
| Deposits received | 1.56 | 1.42 |
| Unclaimed dividend* | 1.77 | 1.75 |
| Other payables | 6.58 | 6.58 |
| **Total** | **28.91** | **130.57** |

* Dividend ₹ 0.17 million (₹ 0.19 million) unclaimed for a period of more than seven years has been transferred to Investor's Education and Protection Fund during the year. Further, there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2020.

## Note 25 - Lease liabilities (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Lease liabilities (Refer Note no. 40) | 15.66 | - |
| **Total** | **15.66** | **-** |

## Note 26 - Provisions (Current)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Unfunded (Refer Note No. 43) | | |
| Provisions for employee benefits | | |
| Gratuity | 20.30 | 17.82 |
| Leave encashment | 11.03 | 4.09 |
| **Total** | **31.33** | **21.91** |

## Note 27 - Current tax liabilities (net)

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Provision for tax (net of advance tax) | 5.92 | - |
| **Total** | **5.92** | **-** |

## Note 28 - Other current liabilities

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Statutory dues | 78.39 | 38.46 |
| Advance from customers | 77.68 | 13.18 |
| Unearned revenue | 35.18 | 39.76 |
| **Total** | **191.25** | **91.40** |

## Note 29 - Revenue from operations

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Sale of Product | 115.11 | 90.50 |
| Sale of Services | 4,043.24 | 3,806.22 |
| **Total** | **4,158.35** | **3,896.72** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 30 - Other income

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest from bank | 2.81 | 0.68 |
| Interest from loan to subsidary (Refer Note No. 39) | 5.36 | - |
| Interest others | 0.06 | - |
| Dividend on shares | 0.51 | 0.49 |
| Dividend from joint venture (Refer Note No. 39) | 10.71 | - |
| Profit on sale of investments other than carried at FVOCI | 18.96 | 7.80 |
| Guarantee fees received | 0.96 | 1.96 |
| Net gain on disposal of property, plant and equipment | 0.45 | - |
| Unrealised gain on fair value of financial assets | 8.72 | 26.57 |
| Exchange gain (Net) | 78.62 | 14.71 |
| Incentive under SEIS Scheme | 13.62 | 6.60 |
| Other income | 2.58 | 7.68 |
| **Total** | **143.36** | **66.49** |

## Note 31 - Puchase of products and licenses

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Purchase of IT Products and Licenses | 99.73 | 36.62 |
| **Total** | **99.73** | **36.62** |

## Note 32 - Employee benefit expenses

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Salary, Wages & Allowances | 2,449.37 | 2,167.94 |
| Contribution towards Provident & Other funds | 137.28 | 102.18 |
| Staff Welfare expenses | 73.40 | 61.99 |
| **Total** | **2,660.05** | **2,332.11** |

## Note 33 - Finance costs

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Interest on loan from banks | 17.82 | 30.17 |
| Interest on lease liabilities (Refer Note No. 40) | 2.40 | - |
| Interest on loan others | - | 1.02 |
| Other finance charges | 4.13 | 3.31 |
| **Total** | **24.35** | **34.50** |

## Note 34 - Depreciation and Amortisation Expenses

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Depreciation on property plant and equipment | 56.02 | 66.47 |
| Depreciation on Leased Assets (Refer Note No. 40) | 21.57 | - |
| Amortisation on intangible assets | 51.56 | 53.85 |
| **Total** | **129.15** | **120.32** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 35 - Other expenses

(₹ in millions)

| Particulars | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| IT Infrastructure & Development Cost | | 109.50 | 54.07 |
| Technical fees | | 190.34 | 267.21 |
| Outsourcing cost | | 7.83 | 10.65 |
| Travelling expenses | | 130.17 | 220.27 |
| Recruitment charges | | 27.05 | 25.64 |
| Rent (Refer Note No. 40) | | 45.34 | 55.09 |
| Electricity expenses | | 73.31 | 67.68 |
| Communication charges | | 16.33 | 14.94 |
| Rates & Taxes | | 15.39 | 16.39 |
| Water charges | | 2.39 | 2.15 |
| Legal & Professional expenses | | 57.94 | 76.09 |
| Audit fees (Refer Note No. 47) | | 3.79 | 3.85 |
| Link Charges | | 21.31 | 21.77 |
| Vendor charges | | 46.56 | 47.09 |
| Insurance | | 7.78 | 5.39 |
| Vehicle expenses | | 5.17 | 5.72 |
| Repairs & Maintenance expenses | | 35.27 | 29.76 |
| Software Maintenance expenses | | 37.31 | 36.55 |
| Hire charges | | 16.61 | 16.06 |
| Printing & Stationery | | 4.76 | 4.74 |
| Subscription expenses | | 12.29 | 9.04 |
| Entertainment Expenses | | 3.26 | 4.45 |
| Bank Charges | | 5.44 | 3.51 |
| Board Sitting Fees | | 0.79 | 0.98 |
| Sales Promotion | | 17.21 | 14.83 |
| Security Charges | | 15.00 | 14.98 |
| Computer Peripherals | | 5.26 | 3.84 |
| Loss on sale of assets (Net) | | - | 0.03 |
| Bad Debts Written off | 20.56 | | 24.97 |
| Less: Allowance for doubtful debts written back | (20.56) | - | (24.97) |
| Allowance for doubtful debts | | 29.34 | 4.87 |
| Allowance for doubtful deposit | | 2.50 | 6.17 |
| CSR Expenses (Refer Note No. 55) | | 14.02 | 1.21 |
| Miscellaneous expenses | | 10.14 | 2.29 |
| **Total** | | **969.40** | **1,047.31** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 36: Fair value measurements

(₹ in millions)

| Financial instruments by category | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | FVPL | FVOCI | Amortised cost | FVPL | FVOCI | Amortised cost |
| **Financial assets** | | | | | | |
| **Investments** | | | | | | |
| - Mutual funds | 19.29 | - | - | 161.84 | - | - |
| - Equity instruments | - | 14.72 | - | - | 21.89 | - |
| - Preference shares | 320.91 | - | - | 299.68 | - | - |
| Trade receivables | - | - | 1,104.13 | - | - | 916.20 |
| Cash and cash equivalents | - | - | 397.53 | - | - | 65.33 |
| Bank balances other than Cash and cash equivalents | - | - | 38.97 | - | - | 37.84 |
| Security deposit | - | - | 53.70 | - | - | 45.23 |
| Fair value of outstanding forward contracts | - | 29.72 | - | - | 78.64 | - |
| Fair value of outstanding corporate guarantees | 8.56 | - | - | 17.48 | - | - |
| Loan to Employees & Subsidiaries | - | - | 130.49 | - | - | 0.60 |
| Unbilled Revenue | - | - | 426.63 | - | - | 415.17 |
| Other receivables | - | - | 45.83 | - | - | 37.53 |
| **Total financial assets** | **348.76** | **44.44** | **2,197.28** | **479.00** | **100.53** | **1,517.90** |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 487.50 | - | - | 262.50 |
| Trade payables | - | - | 495.79 | - | - | 386.98 |
| Fair value of outstanding corporate guarantees | 8.56 | - | - | 17.48 | - | - |
| Fair value of outstanding forward contracts | - | 43.02 | - | - | 4.82 | - |
| Fair value of contingent consideration | - | - | - | 116.00 | - | - |
| Lease liabilities | - | - | 15.66 | - | - | - |
| Other payables | - | - | 11.13 | - | - | 10.31 |
| **Total financial liabilities** | **8.56** | **43.02** | **1,010.08** | **133.48** | **4.82** | **659.79** |

### i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard.

(₹ in millions)

| Financial assets and liabilities measured at fair value At March 31, 2020 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Financial Investments at FVPL** | | | | |
| Mutual funds | 19.29 | - | - | 19.29 |
| Preference shares | - | - | 320.91 | 320.91 |
| Fair value of outstanding corporate guarantees | - | - | 8.56 | 8.56 |
| **Financial Investments at FVOCI** | | | | |
| Fair value of outstanding forward contracts | - | 29.72 | - | 29.72 |
| Equity instruments | 14.72 | - | - | 14.72 |
| **Total financial assets** | **34.01** | **29.72** | **329.47** | **393.20** |
| **Financial Liabilities** | | | | |
| Fair value of outstanding corporate guarantees | - | - | 8.56 | 8.56 |
| Fair value of outstanding forward contracts | - | 43.02 | - | 43.02 |
| **Total financial liabilities** | **-** | **43.02** | **8.56** | **51.58** |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

(₹ in millions)

| Financial assets and liabilities measured at fair value At March 31, 2019 | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|
| **Financial assets** | | | | |
| **Financial Investments at FVPL** | | | | |
| Mutual funds | 161.84 | - | - | 161.84 |
| Preference shares | - | - | 299.68 | 299.68 |
| Fair value of outstanding corporate guarantees | - | - | 17.48 | 17.48 |
| **Financial Investments at FVOCI** | | | | |
| Fair value of outstanding forward contracts | - | 78.64 | - | 78.64 |
| Equity instruments | 21.89 | - | - | 21.89 |
| **Total financial assets** | **183.73** | **78.64** | **317.16** | **579.53** |
| **Financial Liabilities** | | | | |
| Fair value of outstanding corporate guarantees | - | - | 17.48 | 17.48 |
| Fair Value of outstanding forward contracts | - | 4.82 | - | 4.82 |
| Fair Value of contingent consideration | - | - | 116.00 | 116.00 |
| **Total financial liabilities** | **-** | **4.82** | **133.48** | **138.30** |

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

Reconciliation of Level 3 fair value measurement is as follows:

(₹ in millions)

| Particulars | Amount |
|---|---|
| **Balance as on March 31, 2018** | **136.29** |
| Change in the value | 47.39 |
| **Balance as on March 31, 2019** | **183.68** |
| Change in the value | 137.23 |
| **Balance as on March 31, 2020** | **320.91** |

### ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

All of the resulting fair value estimates are included in level 3 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

### iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 37: Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

| Risk | Exposure arising from | Measurement | Management |
|---|---|---|---|
| Credit risk | Cash and cash equivalents, trade receivables and financial assets | Aging analysis<br>Credit ratings | Diversification of bank deposits, credit limits and letters of credit |
| Liquidity risk | Borrowings and Trade payable | Maturity analysis, cash flow forecasts | Availability of committed credit lines and borrowing facilities |
| Market risk – foreign exchange | Import Payables and Receivables on Indenting services | Cash flow forecasting<br>Sensitivity analysis | Forward foreign exchange contracts |
| Market risk – security prices | Investments in equity securities | Sensitivity analysis | Portfolio diversification |

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

### A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

**Credit risk management**

The company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at March 31, 2020 and March 31, 2019 is the carrying value of such trade receivables as shown in note 12 of the financials.

Reconciliation of loss allowance provision – Trade receivables

| Particulars | (₹ in millions) |
|---|---|
| **Loss allowance on March 31, 2018** | **117.56** |
| Changes in loss allowance | (23.35) |
| **Loss allowance on March 31, 2019** | **94.21** |
| Changes in loss allowance | 29.33 |
| Bad debts write off | (20.56) |
| **Loss allowance on March 31, 2020** | **102.98** |

### B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## C) Market risk

### i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 50% to 70% of forecasted receivables for the subsequent 18 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 50% to 70% of the forecasted receivables.

### a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2020 and March 31, 2019 are given below :

(₹ in millions)

| Particulars | Currency | March 31, 2020 | | March 31, 2019 | |
|---|---|---|---|---|---|
| | | Foreign Currency | (₹ in millions) | Foreign Currency | (₹ in millions) |
| Receivables | USD | 6.32 | 477.84 | 4.34 | 299.92 |
| | GBP | 3.18 | 297.98 | 1.24 | 111.27 |
| | EUR | 0.55 | 45.70 | 0.45 | 35.04 |
| | CHF | 0.44 | 34.23 | 0.28 | 19.75 |
| | AUD | 0.25 | 11.37 | 0.15 | 7.33 |
| | AED | 0.06 | 1.33 | - | - |
| | CAD | 0.03 | 1.66 | 0.01 | 0.51 |
| | SEK | 0.05 | 0.41 | 0.19 | 1.40 |
| Payables | USD | 2.83 | 213.66 | 1.40 | 96.66 |
| | EUR | - | - | 0.01 | 1.03 |
| | AUD | 0.00 | 0.18 | - | - |
| | CHF | 0.16 | 12.33 | 0.01 | 0.44 |
| | GBP | 0.00 | 0.02 | 0.07 | 6.16 |
| | SGD | 0.00 | 0.04 | - | - |

### b) Sensitivity

The Company is mainly exposed to changes in USD, GBP, CHF, AUD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and Euro exchange rates, with all other variables held constant. 5% appreciation/ depreciation of USD, GBP, CHF, AUD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| USD | 13.21 | 10.68 |
| GBP | 14.90 | 0.00 |
| EUR | 2.29 | 1.70 |
| CHF | 1.09 | 0.62 |
| AUD | 0.56 | 0.01 |

* Holding all other variables constant

### ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary.

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Fixed rate borrowings | 487.50 | 262.50 |
| **Total borrowings** | **487.50** | **262.50** |

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

**iii) Price risk**

a) Exposure

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

All of the company's equity investments are publicly traded.

## Note 38: Capital management

**a) Risk management**

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowing includes current maturities of long term borrowings.

(₹ in millions)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Borrowings | 487.50 | 262.50 |
| Total equity | 4,914.72 | 4,765.59 |
| **Borrowing to equity ratio** | **0.10** | **0.06** |

**b) Dividends**

(₹ in millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| **(i) Equity shares** | | |
| Interim dividend for the year ended March 31, 2020 of Nil (March 31, 2019 – ₹ 0.25) per fully paid share | - | 14.74 |
| | | |
| **(ii) Dividends not recognised at the end of the reporting period** | | |
| The directors have not recommended the payment of a final dividend. (March 31, 2019 – ₹ 1). | - | 58.95 |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 39: Related party transactions

A As required under Ind AS 24 – "Related Party Disclosures", following are details of transactions during the year with the related parties of the Company as defined in Ind AS- 24.

(i) The Company has entered into transactions in ordinary course of business with related parties at arm's length (Refer Note No. 51) as per details given below:

**(A) Subsidiary Companies**

Datamatics Global Services Inc.

Datamatics Global Technologies Limited

Datamatics Global Technologies AG

Datamatics Infotech Limited

LD Publishing & eRetail Limited

Datamatics Global Services FZ LLC

Datamatics Global Services Pty. Limited

Datamatics Robotics Software Limited (Stepdown Subsidiary)

Datamatics Robotics Software Inc (Stepdown Subsidiary)

Datamatics Global Services Corp. (Stepdown Subsidiary)

RJ Globus Solutions Inc (Stepdown Subsidiary)

RJ Globus Inc (Stepdown subsidiary)

RJ Globus Solutions Private Limited (Stepdown Subsidiary)

Cignex Datamatics Corporation (Stepdown Subsidiary)

Cignex Datamatics Technologies Limited (Stepdown Subsidiary)

Cignex Datamatics Inc. (Stepdown Subsidiary)

Cignex Datamatics Pte. Limited (Stepdown Subsidiary)

Cignex Datamatics GmbH (Stepdown Subsidiary)

Duo Consulting, Inc. (Stepdown Subsidiary)

Lumina Datamatics Limited

Lumina Datamatics Inc. (Stepdown Subsidiary)

Lumina Datamatics GmbH (Stepdown Subsidiary)

LDR eRetail Limited (Stepdown Subsidiary)

Lumina Datamatics Assessment and Analytics, LLC (Stepdown Subsidiary)

Datamatics Digital Limited

Techjini Inc (Stepdown Subsidiary)

Datamatics Staffing Services Limited (Stepdown Subsidiary) (w.e.f. March 18, 2019)

Datamatics Global Services B.V. (Stepdown Subsidiary) (w.e.f. September 13, 2019)

**(B) Joint Venture Company**

Cybercom Datamatics Information Solutions Limited

**(C) Key Managerial Personnel**

Dr. Lalit S. Kanodia, Chairman

Mr. Rahul L. Kanodia, Vice chairman & CEO

Mr. Sameer L. Kanodia, Director

Ms. Divya Kumat, Company Secretary

Mr. Sandeep Mantri, Chief Financial Officer

**(D) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel**

Mrs. Asha L. Kanodia

Mrs. Aneesha Dalmia

Mrs. Priyadarshini Kanodia

Datamatics Staffing Services Limited (up to March 17, 2019)

Datamatics Business Solutions Limited

Datamatics Infotech Services Private Limited

**(E) Holding Company**

Delta Infosolutions Private Limited

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

(₹ in millions)

| Sr. No. | Particulars | (i) A | | (i) B | | (i) C | | (i) D | | (i) E | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| [A] | **Transactions during the year ended** | | | | | | | | | | |
| i | **Revenue from operations** | **1,022.78** | **1,068.92** | **-** | **-** | **-** | **-** | **5.81** | **5.57** | **-** | **-** |
| | Datamatics Global Services Inc. | 230.47 | 345.52 | - | - | - | - | - | - | - | - |
| | Datamatics Global Technologies Limited | 10.28 | 7.65 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services Pty. Limited | - | 8.07 | - | - | - | - | - | - | - | - |
| | Datamatics Infotech Limited | 767.32 | 695.43 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics Limited | 12.13 | 0.34 | - | - | - | - | - | - | - | - |
| | Cignex Datamatics Inc. | 2.58 | 12.45 | - | - | - | - | - | - | - | - |
| | Cignex Datamatics Technologies Limited | - | 4.92 | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | - | (5.46) | - | - | - | - | - | - | - | - |
| | Datamatics Business Solutions Limited | - | - | - | - | - | - | 5.81 | 5.57 | - | - |
| ii | **Technical fees** | **69.43** | **133.93** | **-** | **3.38** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Datamatics Global Services Inc. | 46.15 | 85.70 | - | - | - | - | - | - | - | - |
| | Datamatics Global Technologies AG | 14.15 | 15.32 | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 2.60 | 3.06 | - | - | - | - | - | - | - | - |
| | Datamatics Infotech Limited | - | 22.53 | - | - | - | - | - | - | - | - |
| | Cignex Datamatics Technologies Limited | 6.53 | 7.32 | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | - | 3.38 | - | - | - | - | - | - |
| iii | **Expenses incurred by related parties** | **57.71** | **49.69** | **0.32** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Datamatics Global Services Inc. | 57.71 | 49.69 | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | 0.32 | - | - | - | - | - | - | - |
| iv | **Expenses incurred for related parties** | **27.24** | **20.57** | **0.10** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Cignex Datamatics Technologies Limited | 5.16 | 3.65 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics Limited | 5.35 | 14.74 | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 9.30 | 1.42 | - | - | - | - | - | - | - | - |
| | Datamatics Digital Limited | 6.67 | - | - | - | | | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | 0.10 | - | - | - | - | - | - | - |
| | LDR eRetail Limited | 0.76 | 0.76 | - | - | - | - | - | - | - | - |
| v | **Legal and professional fees** | **-** | **-** | **-** | **-** | **-** | **-** | **0.31** | **0.26** | **-** | **-** |
| | Datamatics Business Solutions Limited | - | - | - | - | - | - | 0.31 | 0.26 | - | - |
| vi | **Managerial remuneration*** | **-** | **-** | **-** | **-** | **25.76** | **22.06** | **-** | **-** | **-** | **-** |
| | Dr. Lalit S. Kanodia | - | - | - | - | 10.65 | 8.05 | - | - | - | - |
| | Mr. Rahul L. Kanodia | - | - | - | - | 13.29 | 10.55 | - | - | - | - |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

(₹ in millions)

| Sr. No. | Particulars | (i) A | | (i) B | | (i) C | | (i) D | | (i) E | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| | Mr. Sameer L. Kanodia | - | - | - | - | 1.82 | 3.46 | - | - | - | - |
| **vii** | **Salaries and allowances*** | **-** | **-** | **-** | **-** | **15.51** | **15.90** | **3.30** | **3.13** | **-** | **-** |
| | Ms. Divya Kumat | - | - | - | - | 8.32 | 8.49 | - | - | - | - |
| | Mr. Sandeep Mantri | - | - | - | - | 7.19 | 7.41 | - | - | - | - |
| | Mrs. Priyadarshini Kanodia | - | - | - | - | - | - | 3.30 | 3.13 | - | - |
| **viii** | **Commission** | **-** | **-** | **-** | **-** | **8.38** | **7.70** | **0.25** | **0.21** | **-** | **-** |
| | Dr. Lalit S. Kanodia | - | - | - | - | 4.19 | 3.85 | - | - | - | - |
| | Mr. Rahul L. Kanodia | - | - | - | - | 4.19 | 3.85 | - | - | - | - |
| | Mrs. Asha L. Kanodia | - | - | - | - | - | - | 0.25 | 0.21 | - | - |
| **ix** | **Board sitting fees** | **-** | **-** | **-** | **-** | **-** | **-** | **0.14** | **0.19** | **-** | **-** |
| | Mrs. Asha L. Kanodia | - | - | - | - | - | - | 0.14 | 0.19 | - | - |
| **x** | **Purchase of Property, plant and equipment** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **0.78** | **-** | **-** |
| | Mrs. Aneesha Dalmia | - | - | - | - | - | - | - | 0.78 | - | - |
| **xi** | **Corporate guarantee fees** | **0.96** | **0.96** | **-** | **1.00** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Cignex Datamatics Technologies Limited | 0.96 | 0.96 | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | - | 1.00 | - | - | - | - | - | - |
| **xii** | **Dividend income** | **-** | **-** | **10.71** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Cybercom Datamatics Information Solutions Limited | - | - | 10.71 | - | - | - | - | - | - | - |
| **xiii** | **Dividend Paid** | **-** | **-** | **-** | **-** | **4.95** | **1.18** | **4.78** | **1.20** | **31.81** | **7.95** |
| | Dr. Lalit S. Kanodia | - | - | - | - | 3.48 | 0.81 | - | - | - | - |
| | Mr. Sameer L. Kanodia | - | - | - | - | 1.47 | 0.37 | - | - | - | - |
| | Mrs. Asha L. Kanodia | - | - | - | - | - | - | 3.31 | 0.83 | - | - |
| | Mrs. Priyadarshini Kanodia | - | - | - | - | - | - | 1.47 | 0.37 | - | - |
| | Delta Infosolutions Private Limited | - | - | - | - | - | - | - | - | 31.81 | 7.95 |
| **xiv** | **Loans and advances refunded during the year** | **34.68** | **41.67** | **-** | **0.01** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Datamatics Infotech Limited | 4.47 | 15.33 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services FZ LLC | 14.07 | 18.69 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services Pty. Limited | - | 0.95 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services Inc. | - | 0.20 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics GmbH | - | 0.05 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics Limited | 1.93 | 6.35 | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 13.95 | 0.10 | - | - | - | - | - | - | - | - |
| | Datamatics Staffing Services Limited | 0.26 | - | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | - | 0.01 | - | - | - | - | - | - |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

(₹ in millions)

| Sr. No. | Particulars | (i) A | | (i) B | | (i) C | | (i) D | | (i) E | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| xv | **Loans and advances given during the year** | **164.66** | **47.24** | **1.55** | **0.24** | - | - | **0.60** | **0.26** | - | - |
| | Datamatics Global Services Inc. | 1.03 | 1.33 | - | - | - | - | - | - | - | - |
| | Datamatics Global Technologies AG | 0.01 | 0.03 | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 142.18 | 21.82 | - | - | - | - | - | - | - | - |
| | Datamatics Infotech Limited | 4.71 | 10.06 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services Pty. Limited | - | 0.34 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics Limited | 1.57 | 1.96 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services FZ LLC | 15.10 | 11.68 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics GmbH | 0.05 | - | - | - | - | - | - | - | - | - |
| | Cignex Datamatics Pte. Limited | 0.01 | 0.02 | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | 1.55 | 0.24 | - | - | - | - | - | - |
| | Datamatics Staffing Services Limited | - | - | - | - | - | - | - | 0.26 | - | - |
| | Datamatics Infotech Services Private Limited | - | - | - | - | - | - | 0.60 | - | - | - |
| xvi | **Investment in capital of subsidiaries** | **104.00** | **55.00** | - | - | - | - | - | - | - | - |
| | Datamatics Digital Limited | 104.00 | 55.00 | - | - | - | - | - | - | - | - |
| xvii | **Slump Sale** | - | **18.00** | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | - | 18.00 | - | - | - | - | - | - | - | - |
| xviii | **Redemption of preference shares** | - | **18.33** | - | - | - | - | - | - | - | - |
| | Datamatics Global Technologies Limited | - | 18.33 | - | - | - | - | - | - | - | - |
| xix | **Interest Income** | **5.36** | - | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 5.36 | - | - | - | - | - | - | - | - | - |
| | | | | | | | | | | | |
| [B] | **Balance as at March 31** | | | | | | | | | | |
| i | **Loans and advances receivable** | **166.70** | **36.71** | **2.10** | **0.55** | - | - | **0.60** | - | - | - |
| | Datamatics Global Services Inc. | 13.08 | 12.05 | - | - | - | - | - | - | - | - |
| | Cignex Datamatics Pte. Limited | 0.04 | 0.03 | - | - | - | - | - | - | - | - |
| | Datamatics Staffing Services Limited | 0.00 | 0.26 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services FZ LLC | 1.60 | 0.57 | - | - | - | - | - | - | - | - |
| | Datamatics Infotech Limited | 1.06 | 0.82 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services Pty. Limited | 0.31 | 0.31 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics GmbH | 0.05 | - | - | - | - | - | - | - | - | - |
| | Datamatics Global Technologies AG | 0.06 | 0.05 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics Limited | 0.54 | 0.90 | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 149.96 | 21.72 | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | 2.10 | 0.55 | - | - | - | - | - | - |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

(₹ in millions)

| Sr. No. | Particulars | (i) A | | (i) B | | (i) C | | (i) D | | (i) E | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 | 2019-20 | 2018-19 |
| | Datamatics Infotech Services Private Limited | - | - | - | - | - | - | 0.60 | - | - | - |
| **ii** | **Loans and advances payable** | **2.66** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Datamatics Digital Limited | 2.66 | - | - | - | - | - | - | - | - | - |
| **iii** | **Payables** | **211.42** | **6.46** | **-** | **-** | **8.38** | **9.20** | **0.25** | **-** | **-** | **-** |
| | Datamatics Global Services Inc. | 202.33 | - | - | - | - | - | - | - | - | - |
| | Datamatics Global Technologies AG | 1.02 | 1.00 | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 8.07 | 5.46 | - | - | - | - | - | - | - | - |
| | Mrs. Asha Kanodia | - | - | - | - | - | - | 0.25 | - | - | - |
| | Dr. Lalit S. Kanodia | - | - | - | - | 4.19 | 3.85 | - | - | - | - |
| | Mr. Rahul L. Kanodia | - | - | - | - | 4.19 | 3.85 | - | - | - | - |
| | Mr. Sameer L. Kanodia | - | - | - | - | - | 1.50 | - | - | - | - |
| **iv** | **Receivables** | **315.56** | **197.57** | **0.53** | **0.22** | **-** | **-** | **2.11** | **3.43** | **-** | **-** |
| | Datamatics Global Services Inc. | 144.04 | 59.17 | - | - | - | - | - | - | - | - |
| | Datamatics Global Technologies Limited | 12.86 | 1.89 | - | - | - | - | - | - | - | - |
| | Datamatics Infotech Limited | 140.83 | 120.33 | - | - | - | - | - | - | - | - |
| | Datamatics Global Services Pty. Limited | 1.12 | 12.62 | - | - | - | - | - | - | - | - |
| | Datamatics Digital Limited | 0.72 | - | - | - | - | - | - | - | - | - |
| | Datamatics Robotics Software Limited | 11.83 | - | - | - | - | - | - | - | - | - |
| | Datamatics Global Services FZ LLC | 0.11 | - | - | - | - | - | - | - | - | - |
| | Cignex Datamatics Technologies Limited | 1.38 | 0.59 | - | - | - | - | - | - | - | - |
| | Cignex Datamatics Inc. | - | 2.97 | - | - | - | - | - | - | - | - |
| | Lumina Datamatics Limited | 2.67 | - | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | 0.53 | 0.22 | - | - | - | - | - | - |
| | Datamatics Business Solutions Limited | - | - | - | - | - | - | 2.11 | 3.43 | - | - |
| **v** | **Interest receivable** | **5.36** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Datamatics Robotics Software Limited | 5.36 | - | - | - | - | - | - | - | - | - |
| **vi** | **Guarantees** | **48.00** | **48.00** | **-** | **50.00** | **-** | **-** | **-** | **-** | **-** | **-** |
| | Cignex Datamatics Technologies Limited | 48.00 | 48.00 | - | - | - | - | - | - | - | - |
| | Cybercom Datamatics Information Solutions Limited | - | - | - | 50.00 | - | - | - | - | - | - |

* Above figures does not include gratuity, leave encashment, mediclaim and term life insurance as separate actuarial valuation / premium figures are not available.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 40: Leases

The Company adopted Ind AS 116 w.e.f. April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

This has resulted in recognising a right-of-use asset of ₹ 34.49 million and a corresponding lease liability of ₹ 39.11 million by adjusting retained earnings net of taxes of ₹ 3.44 million (including the impact of deferred tax created of ₹ 1.16 million) as at April 1, 2019. In the profit and loss account for the current period, the nature of expenses in respect of operating leases has changed from lease rent in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability. EBIDTA and Profit before tax is increased by ₹ 25.85 million and ₹ 1.88 million respectively due to change in accounting standard for the quarter and year ended March 31, 2020. During the year, interest on lease liability charged ₹ 2.40 million, Depreciation on Right-to-use asset ₹ 21.57 million. Hence Lease liability as on March 21, 2020 is ₹ 15.66 million and Right-to-use as on March 31, 2020 is ₹ 12.92 million.

**a) Non-cancellable operating leases**

The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 35. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

(₹ in Millions)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Within one year | - | 19.32 |
| Later than one year but not later than five years | - | 10.04 |
| Later than five years | - | - |

Rental expense relating to operating leases

(₹ in Millions)

| | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Total rental expense relating to operating leases | 45.34 | 55.09 |

**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.

(c) There are no sublease payments as well as no contingent rent.

## Note 41: Investment in subsidiaries

The Company has an investment in the standalone financial statements of ₹ 646.30 million (Previous year ₹ 646.30 million) in two of its wholly owned subsidiaries and has also extended advances of ₹ 13.14 million (Previous year ₹ 12.09 million) to these subsidiaries as on March 31, 2020. The net worth of these subsidiaries as on March 31, 2020 is ₹ 539.57 million (Previous year ₹ 539.48 million) which is lower than the amount of investment. The investment is for long term and of strategic nature. As the management is confident of turning around these subsidiaries in the near future and hence, no provision for diminution in the value of investment and advances has been considered necessary by the management.

## Note 42: Earnings per share

| | Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| (a) | Net Profit after taxation attributable to equity shareholders (₹ in millions) | 307.40 | 292.36 |
| (b) | Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.) | 58,949,337 | 58,949,337 |
| (c) | Earnings per share | | |
| | (Nominal value per share ₹ 5 each) | | |
| | Basic and Diluted earnings per share (in Rs.) (a/b) | 5.21 | 4.96 |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 43: Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

(₹ in Millions)

| | Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| I. | **Defined Contribution Plan** | | |
| | Charge to the Statement of Profit and Loss based on contributions: | | |
| | Employers contribution to provident fund | 116.54 | 79.80 |
| | Employers contribution to employees' state insurance | 12.33 | 15.89 |
| | Employers contribution to labour welfare fund and others | 0.25 | 0.26 |
| | Included in contribution to provident fund and other funds (Refer Note No.32) | 129.12 | 95.95 |

**II. Defined Benefit Plan**

**i) Movement in Present Value of Obligation**

(₹ in Millions)

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Present Value of Obligation as at the beginning | 98.92 | 74.64 | 45.75 | 46.13 |
| Current Service Cost | 15.13 | 10.62 | 16.32 | 14.46 |
| Interest Expense or Cost | 7.58 | 5.74 | 3.51 | 3.55 |
| Re-measurement (or Actuarial) (gain) / loss arising from: | | | | |
| - change in demographic assumptions | (0.09) | - | (0.02) | - |
| - change in financial assumptions | 10.65 | 0.50 | 3.06 | 0.29 |
| - experience variance (i.e. actual experience vs assumptions) | 16.29 | 3.47 | (11.01) | 2.95 |
| Past Service Cost | - | 17.00 | - | - |
| Benefits Paid | (20.61) | (12.54) | (13.38) | (21.32) |
| Acquisition adjustment | - | (0.51) | - | (0.31) |
| Present Value of Obligation as at the end | 127.86 | 98.92 | 44.22 | 45.75 |
| Present Value of Obligation as at the end - Current | 20.30 | 17.82 | 11.03 | 4.09 |
| Present Value of Obligation as at the end - Non - Current | 107.56 | 81.10 | 33.19 | 41.66 |

**ii) Expenses recognised in the income statement and other comprehensive income**

(₹ in Millions)

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Current service cost | 15.13 | 10.62 | 16.32 | 14.46 |
| Past service cost | - | 17.00 | - | - |
| Net interest cost on the net defined benefit liability | 7.58 | 5.74 | 3.51 | 3.55 |
| Actuarial (gains) / losses | - | - | (7.97) | 3.23 |
| Expenses recognised in Profit & Loss Account | 22.71 | 33.36 | 11.85 | 21.24 |
| | | | | |
| Other Comprehensive Income | | | | |
| Actuarial (gains) / losses | | | | |
| - Change in demographic assumptions | (0.09) | - | - | - |
| - Change in financial assumptions | 10.65 | 0.50 | - | - |
| - Experience variance | 16.29 | 3.47 | - | - |
| Expenses recognised in OCI | 26.84 | 3.97 | - | - |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

**iii) Financial Assumptions**

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

| Particulars | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| Discount Rate (per annum) | 6.85% | 7.65% | 6.85% | 7.65% |
| Salary growth rate (per annum) | 4.50% | 4.50% | 4.50% | 4.50% |
| Mortality Rate | IALM 12-14 | IALM 06-08 | IALM 12-14 | IALM 06-08 |

**iv) Sensitivity Analysis**

(₹ in Millions)

| Particulars | Gratuity | | | |
|---|---|---|---|---|
| | March 31, 2020 | | March 31, 2019 | |
| | Decrease | Increase | Decrease | Increase |
| Discount rate (- / + 0.5%) | 135.37 | 121.02 | 104.12 | 94.16 |
| Salary growth rate (- / + 0.5%) | 120.84 | 135.51 | 93.99 | 104.27 |
| Attrition rate (- / + 25%) | 128.71 | 127.13 | 98.97 | 98.87 |
| Mortality rate (- / + 10%) | 127.75 | 127.97 | 98.80 | 99.03 |

Sensitivity Analysis

(₹ in Millions)

| Particulars | Leave Encashment | | | |
|---|---|---|---|---|
| | March 31, 2020 | | March 31, 2019 | |
| | Decrease | Increase | Decrease | Increase |
| Discount rate (- / + 1%) | 48.76 | 40.46 | 52.09 | 40.54 |
| Salary growth rate (- / + 1%) | 40.35 | 48.82 | 40.34 | 52.25 |
| Attrition rate (- / + 50%) | 41.49 | 46.08 | 43.32 | 47.85 |
| Mortality rate (- / + 10%) | 44.19 | 44.24 | 45.69 | 45.81 |

**v) Maturity profile of Defined Benefit obligation**

(₹ in Millions)

| Expected Cash flow over the next (valued on undiscounted basis) | Gratuity | | Leave Encashment | |
|---|---|---|---|---|
| | March 31, 2020 | March 31, 2019 | March 31, 2020 | March 31, 2019 |
| 1 Year | 20.30 | 17.82 | 11.03 | 4.09 |
| 2 to 5 years | 24.83 | 21.89 | 12.52 | 9.89 |
| 6 to 10 years | 39.23 | 36.96 | 10.40 | 16.82 |
| More than 10 years | 259.20 | 200.25 | 74.18 | 130.05 |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 44: Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

**Contingent Liabilities to the extent not provided for:**

(₹ in Millions)

| | | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| **(a)** | **Claims against the Company not acknowledged as debt:** | | |
| (i) | Income Tax matters | 17.74 | 17.74 |
| | | | |
| **(b)** | **Details of guarantees outstanding as at:** | | |
| (i) | Corporate guarantees provided to banks against credit facilities extended to subsidiaries and joint venture | 48.00 | 98.00 |
| (ii) | Guarantees given by banks | 447.72 | 341.60 |
| **(c)** | **Capital and other commitments:** | | |
| (i) | Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances) | - | - |

## Note 45: Forward contracts in foreign currencies

The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(₹ in Millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| Not later than one month | 113.53 | 139.83 |
| Later than one month and not later than three months | 227.33 | 275.62 |
| Later than three months and not later than one year | 956.91 | 1,088.52 |
| Later than one year | 891.39 | 876.38 |
| **Total** | **2,189.16** | **2,380.35** |

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

(₹ in Millions)

| Foreign Currency | March 31, 2020 | | | March 31, 2019 | | |
|---|---|---|---|---|---|---|
| | No. of Contracts | Notional amount of Currency Forward contract | Fair Value gain / (loss) | No. of Contracts | Notional amount of Currency Forward contracts | Fair Value gain / (loss) |
| U.S. Dollar | 195 | 15.72 | (36.38) | 183 | 15.62 | 28.57 |
| Euro | - | - | - | 35 | 1.79 | 5.91 |
| Sterling Pound | 149 | 9.97 | 23.08 | 212 | 11.10 | 39.33 |
| **Total** | | | **(13.30)** | | | **73.81** |

Net gain / (loss) on derivative instruments of ₹ (13.30) million (FY 2018-19 ₹ 73.81 million) recognised in Hedging Reserve as of March 31, 2020, is expected to be reclassified to the Statement of Profit and Loss by February 28, 2022.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

## Note 46: Segment Information

The company publishes standalone financial statements of the company along with the consolidated financial statements. In accordance with Ind AS 108 - Operating segments, the company has disclosed the segment information in the consolidated financial statements.

## Note 47: Auditor's Remuneration

(₹ in Millions)

| Particulars | March 31, 2020 | March 31, 2019 |
|---|---|---|
| For services as auditors, including quarterly audits | 3.30 | 2.80 |
| For tax audit | 0.23 | 0.23 |
| For other services | 0.26 | 0.82 |
| **Total** | **3.79** | **3.85** |

## Note 48: Loans and advances to Subsidiaries consist of following

(₹ in Millions)

| Particulars | Balance Outstanding as on March 31, 2020 | Maximum amount outstanding during the year | Balance Outstanding as on March 31, 2019 | Maximum amount outstanding during the year |
|---|---|---|---|---|
| Datamatics Global Services Inc. * | 13.08 | 13.43 | 12.05 | 12.05 |
| Datamatics Infotech Limited * | 1.06 | 5.07 | 0.82 | 9.57 |
| Datamatics Global Services Pty Limited * | 0.31 | 0.47 | 0.31 | 0.93 |
| Datamatics Global Technologies AG * | 0.06 | 0.06 | 0.05 | 0.05 |
| Lumina Datamatics Limited * | 0.54 | 1.23 | 0.90 | 5.98 |
| Datamatics Global Services FZ LLC * | 1.60 | 12.33 | 0.57 | 10.68 |
| Lumina Datamatics GmbH * | 0.05 | 0.05 | - | 0.05 |
| Cignex Datamatics Pte. Ltd. * | 0.04 | 0.04 | 0.03 | 0.03 |
| Datamatics Robotics Software Limited * | 20.66 | 21.72 | 21.72 | 21.72 |
| Datamatics Robotics Software Limited | 129.30 | 129.30 | - | - |
| Datamatics Staffing Services Limited * | 0.00 | 0.26 | 0.26 | 0.26 |
| **TOTAL** | **166.70** | **183.96** | **36.71** | **61.32** |

* Interest free advances.

## Note 49: Disclosure as per Section 186 of the Companies Act, 2013

(₹ in Millions)

| | Loans given | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| a) | Datamatics Robotics Software Limited | 129.30 | - |

b) **Investments made**

There are no investments by Company other than those stated under Note 5 and Note 11 in the financial statements.

(₹ in Millions)

| | Guarantees given | March 31, 2020 | March 31, 2019 |
|---|---|---|---|
| c) | To secure obligations of subsidiaries - Guarantees to banks | 48.00 | 98.00 |

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

**d) Securities given**

There are no securities given during the year.

## Note 50: Impairment

As per Companies (Accounting Standards) Rules, 2013 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 2013, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

## Note 51: Transfer pricing

The Management is of the opinion that its international transactions are at arm's length as per the independent accountants certificate for the year ended March 31, 2020. The Management continues to believe that its international transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

## Note 52: Revenue from contract with major customers

No single customer represents 10% or more of the Company's total revenue during the year ended March 31, 2020 and March 31, 2019.

While disclosing the aggregate amount of transaction price yet to be recognised as revenue towards unsatisfied (or partially satisfied) performance obligations, along with the broad time band for the expected time to recognise those revenues, the Company has applied the practical expedient in Ind AS 115. Accordingly, the Company has not disclosed the aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations which pertain to contracts where revenue recognise corresponds to the value transferred to customer typically involving time and material, outcome based and event based contracts. Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revalidations of estimates, economic factors (changes in currency rates, tax laws etc).

| Changes in contract assets of major customers are as follows: | | (₹ in Millions) |
|---|---|---|
| **Particulars** | **March 31, 2020** | **March 31, 2019** |
| Balance at beginning of the year | 44.13 | 62.51 |
| Revenue recognised during the year | 250.23 | 139.30 |
| Invoices raised during the year | 118.32 | 157.68 |
| **Balance at the end of the year** | **176.04** | **44.13** |

## Note 53: Merger of Datamatics Digital Limited with company

The Company had earlier stake in Datamatics Digital Limited (formerly known as Techjini Solutions Private Limited) ("DDL") various tranches and owned 81.09% stake in DDL as on 1 April 2019. Thereafter, the Company had acquired the balance 18.91% stake on 14 May 2019, thereby making DDL a wholly owned subsidiary of the Company. Thereafter, vide Board Meeting dated 13 November 2019, the Company had approved the amalgamation of DDL with itself through a Scheme of Arrangement u/s 230-232 of the Companies Act, 2013 ("Scheme") with an Appointed Date of 1 June 2019.

Since DDL is a wholly owned subsidiary of the Company, no further shares would be required to be issued by the Company to the shareholders of DDL since the entire share capital of DDL is held by the Company. Further, since this Scheme provides for amalgamation of a wholly owned subsidiary with its 100% holding company, the requirement of obtaining a No Objection Letter from the stock exchanges and SEBI under SEBI Circular dated 10 March 2017 was not applicable. However, for the purposes of disclosure, the Company had filed a copy of the board resolution and draft Scheme with the stock exchanges.

Subsequent to the above, the Company had filed an application (C.A. (CAA) No. 3749 of 2019) with the National Company Law Tribunal, Mumbai Bench, ("NCLT") for seeking dispensation for convening meeting of shareholders and the creditors of the Company and DDL and also seeking directions to, inter alia, serve notices to various regulatory authorities viz., the concerned Income-tax Authority, the Regional Director, Western Region, Mumbai, the Registrar of Companies, Mumbai, the Official Liquidator, Mumbai (in so far as DDL is concerned) and SEBI and the stock exchanges (in so far as the Company is concerned). The NCLT was pleased to dispense with the meeting of the shareholders and the creditors of the Company and DDL and also direct the Company and DDL to, inter alia, serve notices as above, vide its order dated 20 February 2020.

The Company and DDL are now in the process of filing petition with the NCLT seeking sanction for the Scheme for approval of amalgamation of DDL with the Company.

# Notes forming part of the Standalone Financial Statements (Contd.)

as at March 31, 2020

Since the Company and DDL are still in the process of seeking approval of the NCLT sanctioning the Scheme, the standalone financial statements of the Company do not include the impact of the merger of DDL with the Company.

## Note 54: Events occuring after Balance Sheet date

**Dividend**

Dividends paid during the year ended March 31, 2020 include an amount of Re. 1 per equity share towards final dividend for the year ended March 31, 2019. Dividends declared by the Company are based on the profit available for distribution. The Board has not recommended any final dividend for the financial year ended on March 31, 2020.

## Note 55: Corporate Social responsibility

In view of the amendment in the section 135 of the Companies Act, 2013 vide The Companies Amendment Act, 2019, the Company has made provision towards unspent CSR obligation amounting to ₹ 6.65 million for the financial year 2018-19 and has also made provision of ₹ 7.37 million being the estimated amount of CSR obligation for the year ended March 31, 2020 respectively.

## Note 56: Impact of COVID - 19 Pandemic

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

## Note 57: Previous year's figures

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

As per our attached report of even date
For **M L BHUWANIA AND CO LLP**
Chartered Accountants
FRN: 101484W/W100197

**Ashishkumar Bairagra**
Partner
Membership No. 109931

Place : Mumbai
Dated : May 14, 2020

For and on Behalf of the Board

| | | |
|---|---|---|
| **R. K. Saraswat** | **Dr. Lalit S. Kanodia** | **Rahul L. Kanodia** |
| Director | Chairman | Vice Chairman & CEO |
| DIN 00015095 | DIN 00008050 | DIN 00075801 |

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

**Sandeep Mantri**
Chief Financial Officer

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

(₹ in Millions)

| Sr. No. | Name of the Subsidiary Company | Reporting Currency | Exchange Rate | Equity | Other Equity | Total Assets | Total Liabilities | Investments (3) | Turnover (2) | Profit / (Loss) before taxation (2) | Provision for taxation (2) | Profit / (Loss) after taxation (2) | Proposed dividend | Percentage of Share-holding | Country |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Datamatics Global Services Inc | USD | 75.59 | 2,134.80 | (1,595.88) | 1,199.66 | 660.74 | - | 1,609.51 | (6.32) | 2.55 | (8.86) | - | 100.00% | USA |
| 2 | Datamatics Infotech Limited | GBP | 93.66 | 1.87 | 251.00 | 484.68 | 231.80 | - | 1,156.91 | 100.77 | 19.15 | 81.62 | - | 100.00% | UK |
| 3 | Datamatics Global Services Pty. Limited | AUD | 46.28 | 2.31 | 14.78 | 21.38 | 4.29 | - | 39.73 | 1.78 | 0.54 | 1.24 | - | 100.00% | Australia |
| 4 | Datamatics Global Technologies Limited | USD | 75.59 | 1,009.13 | 95.47 | 1,117.86 | 13.26 | - | 11.14 | 0.05 | 0.00 | 0.05 | - | 100.00% | Mauritius |
| 5 | Datamatics Global Services Corp | PHP | 1.49 | 29.85 | (4.63) | 114.65 | 89.42 | - | - | 0.52 | 1.39 | (0.87) | - | 100.00% | Philippines |
| 6 | Datamatics Global Services FZ LLC | AED | 20.58 | 1.03 | 127.92 | 139.58 | 10.62 | - | 104.47 | 2.47 | (0.00) | 2.47 | - | 100.00% | Dubai |
| 7 | Datamatics Global Technologies AG | CHF | 78.67 | 3.93 | (3.28) | 3.50 | 2.85 | - | 13.87 | 0.03 | - | 0.03 | - | 100.00% | Switzerland |
| 8 | Datamatics Robotics Software Inc | USD | 75.59 | 0.76 | (0.65) | 16.29 | 16.19 | - | 18.92 | 0.37 | (0.00) | 0.37 | - | 100.00% | USA |
| 9 | Datamatics Robotics Software Limited | INR | 1.00 | 10.00 | (62.55) | 114.84 | 167.40 | - | 111.43 | (72.18) | (17.96) | (54.22) | - | 100.00% | India |
| 10 | Datamatics Global Services BV | EUR | 83.33 | 2.08 | (0.14) | 2.08 | 0.14 | - | - | (0.13) | - | (0.13) | - | 100.00% | Netherlands |
| 11 | Datamatics Digital Limited | INR | 1.00 | 5.50 | 352.00 | 412.69 | 55.19 | 92.20 | 626.72 | 151.21 | 43.42 | 107.79 | - | 100.00% | India |
| 12 | Techjini Inc | USD | 75.59 | 0.30 | 27.29 | 96.68 | 69.09 | - | 244.99 | 7.54 | 1.98 | 5.56 | - | 100.00% | USA |
| 13 | Datamatics Staffing Services Limited | INR | 1.00 | 1.00 | 10.40 | 40.56 | 29.16 | 0.02 | 77.43 | 1.29 | 0.50 | 0.80 | - | 51.00% | India |
| 14 | LD Publishing and eRetail Limited | INR | 1.00 | 0.50 | (0.03) | 0.47 | 0.00 | - | - | - | - | - | - | 100.00% | India |
| 15 | RJ Globus Solutions Inc | PHP | 1.49 | 0.37 | 0.33 | 267.12 | 266.41 | - | 567.82 | 13.05 | - | 13.05 | - | 87.50% | Philippines |
| 16 | RJ Globus Inc | USD | 75.59 | 0.76 | (0.05) | 0.70 | (0.00) | - | - | (0.02) | - | (0.02) | - | 87.50% | USA |
| 17 | RJ Globus Solutions Private Limited | INR | 1.00 | 0.10 | (0.01) | 0.10 | 0.01 | - | - | (0.00) | - | (0.00) | - | 87.50% | India |
| 18 | Lumina Datamatics Limited | INR | 1.00 | 295.80 | 1,841.17 | 2,477.29 | 340.32 | 94.10 | 1,466.49 | 95.53 | 48.35 | 47.19 | - | 100.00% | India |
| 19 | Lumina Datamatics Inc | USD | 75.59 | 2,677.43 | (149.31) | 2,885.46 | 357.34 | - | 2,279.74 | 46.89 | 5.14 | 41.75 | - | 100.00% | USA |
| 20 | Lumina Datamatics GmbH | EUR | 83.33 | 16.67 | 1.74 | 25.40 | 6.99 | - | 39.36 | 0.74 | 0.22 | 0.51 | - | 100.00% | Germany |
| 21 | LDR eRetail Limited | INR | 1.00 | 50.00 | (31.94) | 18.79 | 0.73 | 13.44 | 7.20 | 1.60 | 0.15 | 1.45 | - | 100.00% | India |
| 22 | Lumina Datamatics Assessment & Analytics, LLC | USD | 75.59 | 119.76 | (125.01) | 87.38 | 92.63 | - | 29.21 | (8.03) | - | (8.03) | - | 65.00% | USA |
| 23 | Cignex Datamatics Corporation | USD | 75.59 | 29.60 | (100.88) | - | 71.28 | - | - | - | - | - | - | 62.51% | BVI |
| 24 | Cignex Datamatics Inc | USD | 75.59 | 139.61 | 226.42 | 1,000.27 | 634.24 | - | 1,381.60 | 87.45 | 40.07 | 47.38 | - | 62.51% | USA |
| 25 | Cignex Datamatics Technologies Limited | INR | 1.00 | 0.50 | 375.53 | 507.78 | 131.75 | 50.90 | 857.70 | 77.43 | 21.85 | 55.58 | - | 62.51% | India |
| 26 | Cignex Datamatics Pte. Limited | SGD | 53.20 | 0.00 | 12.48 | 15.26 | 2.78 | - | 12.45 | 0.95 | (0.18) | 1.13 | - | 62.51% | Singapore |
| 27 | Cignex Datamatics GmbH | EUR | 83.33 | 2.08 | 0.32 | 2.39 | (0.02) | - | 1.71 | 0.32 | 0.10 | 0.23 | - | 62.51% | Germany |
| 28 | Duo Consulting, Inc. | USD | 75.59 | 74.61 | (34.87) | 106.58 | 66.84 | - | 147.27 | (1.75) | - | (1.75) | - | 41.26% | USA |
| 29 | Cybercom Datamatics Information Solutions Limited | INR | 1.00 | 8.48 | 145.14 | 169.56 | 15.94 | 91.90 | 79.96 | 32.50 | 4.06 | 28.45 | - | 50.50% | India |

Notes:

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, 2020.
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, 2020.

For and on behalf of the Board

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

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

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

**Divya Kumat**
Senior Vice President - Legal
and Company Secretary

**Sandeep Mantri**
Chief Financial Officer

Place : Mumbai
Date : May 14, 2020

DATAMATICS