

# Datamatics Global Services Limited

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CIN : L72200MH1987PLC045205  
www.datamatics.com



September 23, 2016

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

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

**Subject: Annual Report for the financial year 2015-16**

**NSE Code: DATAMATICS | BSE Code: 532528**

Dear Sir/Madam,

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith Annual Report of the Company for the financial year 2015-16, duly approved and adopted by Members of the Company at the 28<sup>th</sup> Annual General Meeting held on Thursday, September 15, 2016 at 11.00 a.m at Indian Merchant Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.

The Annual Report is also displayed on website of the Company ([www.datamatics.com](http://www.datamatics.com)).

Kindly take the above on your record.

Thanking you,

For Datamatics Global Services Limited

R Divya Kumart

Sr. VP. - Legal & Company Secretary

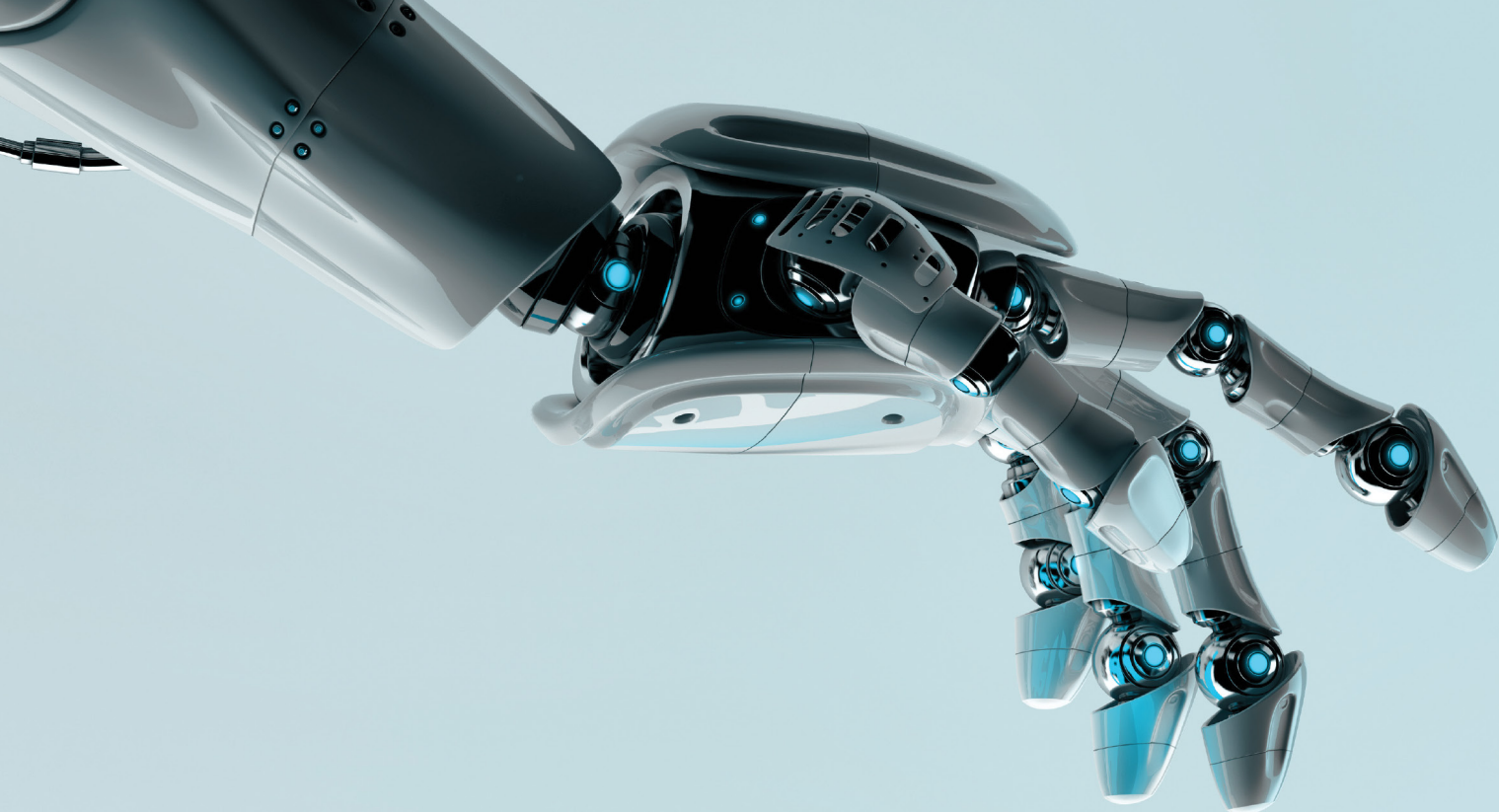


# ROBOTIC PROCESS AUTOMATION

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ANNUAL REPORT 2016

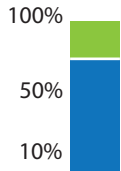




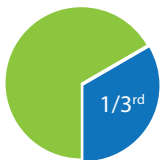
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# ROBOTIC PROCESS AUTOMATION



Up to 75% cost can be reduced by implementing RPA in any project or business.  
~ KPMG



1/3<sup>rd</sup> of jobs across the globe will be automated by 2025  
~ Gartner



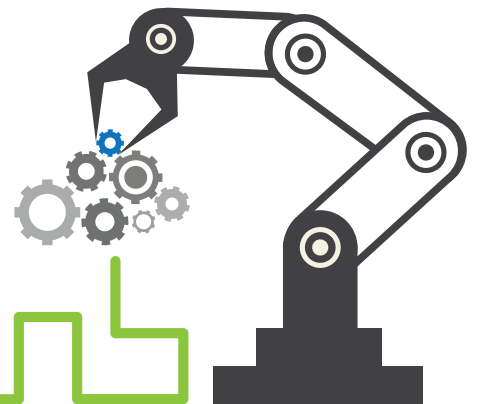
RPA is forecasted to grow at 60.5% CAGR between 2014 to 2020  
~ Transparency Market Research

47%

BPO buyers consider automation as a critical factor of the BPO service provider capabilities  
~ HfS Research



Although the current BPM spend impacted by RPA is low, it grew at over 100 per cent CAGR over the last two years and is expected ultimately to impact 30-40 per cent of total BPM spend.  
~ NASSCOM



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## Robotic Process Automation (RPA) - the next productivity revolution

RPA has the potential to dramatically improve customer experience by automating the process, reducing errors, extending service hours, speeding up processing and enabling employees to focus on customer with trickier issues that genuinely require human intervention.

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# CHAIRMAN'S MESSAGE



The current flavour in the IT industry is that of Robotic Process Automation and Artificial Intelligence. And these two technologies have already been embedded in several of our software products.

Dear Shareholders,

Your Company, Datamatics Global Services had a fairly good year during 2015-16. Our revenues, including our wholly owned subsidiaries grew by about 12%. Our consolidated revenue remains flat, marginally lower by 1%, primarily due to drop in revenue of our joint ventures / (not wholly owned subsidiaries) which include Cybercom Datamatics, CIGNEX Datamatics and Lumina Datamatics.

The current flavour in the IT industry is that of Robotic Process Automation and Artificial Intelligence. The media is replete with articles of these two subjects. I am pleased to inform you that your Company had foreseen the impact of these two technology waves and have been working on both of them for several years. Consequently, we believe that we are technologically ahead of our competitors in this area. These two technologies have been embedded in several of our software products including i-Q and i-Bridge.

To serve our customers better and provide them the competitive edge, we continue to explore opportunities to acquire products / divisions / companies in the space adjoining our business.

In line with our strategic focus to help our customers in their 'Data to Intelligence' journey, we acquired 1Key suite of products from MAIA Intelligence in the Business Intelligence space. This product has been rechristened as 'nSights' suite. It caters to strategic, tactical and operational data analysis and reporting needs of multiple vertical industries. It also provides dashboards for smart devices.

We also acquired Appear IQ, a cloud based product in the Digital Eco Systems space, which we have rebranded as 'iMobile'. It enables Mobile Application Development

12%



The revenue of  
Datamatics Global  
Services Ltd. (excluding  
CIGNEX Datamatics &  
Lumina Datamatics)  
grew by about 12%

and manages multiple applications in real-time.

I would also like to inform you that in July 2016 we acquired additional equity in Lumina Datamatics, a company in the Publishing BPO and e-Retail BPO space. This company has consequently become a 100% subsidiary of your Company.

We have received a very large number of awards this year, significant among them is **IMC IT Product Award** for i-Bridge, our smart robotic process automation software. Your Company has also received the **CIO's CHOICE AWARDS 2016** for two of our products i-Q and nSights. Lumina Datamatics recently won the **Corporate Excellence Award** at the 12<sup>th</sup> Indo American Corporate Excellence Awards.

Your Company has taken a conscious decision to provide services to Indian corporates, particularly, banks and insurance companies, which should also benefit from the company's knowhow, acquired in the international arena.

To support the ever growing business of our global clients, we recently commissioned a 22,000 sq. ft. facility in Puducherry. This Center of Excellence offers state-of-the-art facilities and is fully compliant with ISMS standards. The

center has a seating capacity of 1200 employees.


Your Company continues to remain financially prudent. CRISIL has given Datamatics an A1 credit rating. We are committed to delivering value to all our stakeholders with the highest standards of governance.

I wish to sincerely thank our shareholders and employees for their continued support.

Yours sincerely,

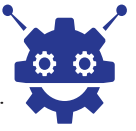
Dr. Lalit S Kanodia  
Ph.D., M.I.T. (USA)  
Chairman

# VICE-CHAIRMAN & CEO'S MESSAGE

A portrait of a middle-aged man with grey hair and glasses, wearing a dark blue pinstripe suit, a white shirt, and a red and gold patterned tie. He is smiling and looking directly at the camera. The background is a blurred outdoor scene with green foliage and a building with large windows.

Datamatics has been successfully using Robotic Process Automation (RPA) technology as a key enabler to help clients in their digital transformation journey. Our solutions use iBots, a family of intelligent robots, to offer improved business efficiency and effectiveness.





Dear Shareholders,

We live in extraordinary times, where technology is reshaping our lives in a fundamental way. Social, Mobile, Analytics, Cloud (SMAC) and increasingly the Internet of Things (IoT) have become driving forces behind the rapid evolution of digital businesses.

At Datamatics, we have been preparing for this shift and helping our customers take a leap forward to lead in the digital world. At the same time we continue to sharpen and strengthen traditional service lines, as business need for those is growing in parallel.

From where we stand today, the future looks vastly different, driven by an increasingly digital landscape. Creating a new world, which is much more connected and collaborative, and in this new digital world, data remains at the core of an organizations' competitive advantage. We take pride in being the Data Management experts. I am happy to share that two of our products - iQ and nSights received recognition by the Indian CIO and IT decision maker community, under Document Management and Business Intelligence categories respectively. Being acknowledged by industry experts in multiple categories for supporting our clients in their 'Data to Intelligence' journey stands as testimony to our focus and growing recognition in this niche. We shall continue our endeavors to innovate and expand our enterprise offerings to help our customers maintain a competitive edge by gaining business insights.

As we move forward, Robotic Process Automation (RPA) will be another game changer. RPA solutions can help

enterprises simplify, automate and transform their businesses. Datamatics has been successfully using Robotic Process Automation (RPA) technology as a key enabler to help clients in their digital transformation journey. Our solutions use iBots, a family of intelligent robots, to offer improved business efficiency and effectiveness by emulating human actions & decision making and automating them, without making changes to the underlying systems and processes. Our clients across sectors have been able to realize tangible benefits with our innovative approach towards smart automation which include increased productivity, reduced cycle time, improved accuracy, compliance and consequently reduced cost.

Technology is and will always be the great amplifier of our human potential. To capitalize on the evolving digital landscape and new age technologies, we shall continue to consider partnering or acquiring companies that help us advance our business objectives.

Recently, to keep pace with the new digital ecosystems, Datamatics acquired AppearlQ, a product by Appear Network. AppearlQ, a leading Mobile Application Development Platform (MADP) helping its global clients to extend their enterprise software to the mobile world. It operates on free and open-source SDK and is ready to be used by anyone from anywhere.

Post aquisition, AppearlQ has been rechristened as iMobile. This acquisition holds greater significance for us, since this product has been well appreciated by the transport vertical. The platform has been selected by Swedish Transportation Infrastructure provider

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As we move forward, Robotic Process Automation (RPA) will be another game changer. RPA solutions can help enterprises simplify, automate and transform their businesses.

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for collecting real time data from various sensors in the infrastructure spread. With Datamatics gaining strength in the Automatic Fare Collection (AFC) segment, we should be able to leverage iMobile for our customers in this niche segment.

The growing world of IoT and convergence of SMAC and Smart Systems is changing how companies do business. The world as we know it, has transformed and is redefining the imperatives and opportunities for future growth. At Datamatics, we shall continue to leverage the power of this evolving & thriving digital ecosystem to maximize business value.

Thank you all for being an integral part of our journey. I am sure that together we will continue on our successful journey and achieve even greater heights and thus build a true smart India and a smart global world at large.

Yours sincerely,

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



# SEIZING THE ROBOTIC PROCESS AUTOMATION (RPA) MARKET OPPORTUNITY

Changing nature of work has led to several technological advancements. Today, enterprises are challenged by tectonic shifts in nearly all aspects of their businesses. Be it economic, technology, or changing consumer preferences, all these and many more factors are forcing organizations to adopt smart automation solutions.

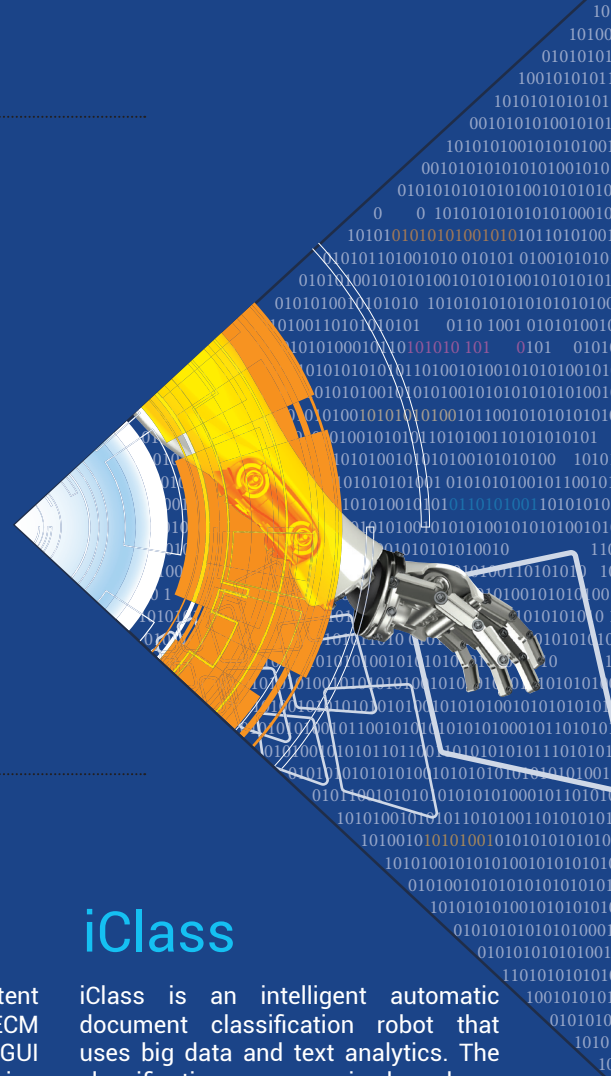
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One technology that is gaining rapid favor is Robotic Process Automation (RPA). RPA combines automation with the adaptability and awareness of artificial intelligence. This adaptability and awareness lends RPA the edge over traditional business process automation technology.

Ample reasons are favoring this shift and its robust adoption; viz. cost reduction for onshore process operations as well offshore delivery, improved service delivery, enhanced process quality, speed, and governance.



At Datamatics, we foresee RPA as the unstoppable force in the outsourcing business. Today several of Datamatics' products leverage the power of Intelligent Robots (iBots) to enable business operations to remain agile and cost effective through rapid automation of manual, rule based processes. Some of the path-breaking products that have been developed by Data Labs' expert team include:



## iBridge

iBridge is an award winning smart process automation software robot that can make complex and tedious manual processes fast, accurate and user friendly. It uses robots to obtain and populate information across multiple software platforms and enables two way transfer of information between any two systems without the use of an API.

## iCM

iCM robot automates the content migration process across multiple ECM platforms. It provides an intuitive GUI that facilitates an easy way of defining migration parameters. It also exports the content automatically along with metadata, security, roles & groups in a secure manner, thus reducing the migration cycle time by 30% to 40%.

## iClass

iClass is an intelligent automatic document classification robot that uses big data and text analytics. The classification process is based on a hybrid approach that combines machine learning, rules, and content analytics. It makes use of historical data to enable the system auto learn classification rules and then use that knowledge for auto classifying incoming documents.

## iConcile

iConcile offers banks a smart and fully integrated robot that allows them to automatically reconcile bank statements. The smart automation process involves converting auto downloaded bank statements to standard MT940 format, matching them against SAP entries.

## MarketWatch

MarketWatch makes use of robots to provide precise and accurate pricing of predefined competitor products. This enables clients to reset product prices on their respective portals, offer best possible deals and stay ahead of competition.

## Product Classification

Product Classification makes use of technology and algorithms for pattern identification and to check the correct classification of products. It is achieved by using robots to crawl through various public domain sites and identify most appropriate product classification.

# BOARD OF DIRECTORS



## DR. LALIT S. KANODIA, CHAIRMAN & WHOLE TIME DIRECTOR

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

After obtaining degree in engineering from India's premier technology institute, IIT - Bombay, Dr. Kanodia completed his MBA and Doctorate in Management from MIT (USA). He is a Ford Foundation Fellow.

Dr. Kanodia's leadership has led Datamatics to be conferred with various awards over the years, including the Most Innovative Software Product Award at the hands of the Prime Minister, the Ramkrishna Bajaj National Quality Award for Services and the International Asia Pacific Quality Award.



## MR. RAHUL L. KANODIA , VICE CHAIRMAN & CEO

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

He has been the Chief Architect for re-positioning and transforming Datamatics from a service led organization to a solutions organization whilst focusing on delivering next-generation business solutions to address the customers' strategic and operational challenges.

Mr. Rahul L Kanodia serves as the Chairman for the Western Region of ESC (Electronics and Computer Software Export Promotion Council, Government of India's largest Electronics and IT trade facilitation organization), and is a member of NASSCOM's Regional Council. He serves on the Advisory Board of Columbia University's India Business Initiative (New York), and the Client Advisory Board of Citi Commercial Bank Asia (Hong Kong).



## MR. SAMEER L. KANODIA , EXECUTIVE DIRECTOR

Mr. Sameer L Kanodia is a B.Sc. in Business Administration from Bryant University, USA, with Marketing as a major, graduating with honors. Among the honors he earned during his undergraduate years was being featured in the Dean's list throughout the program. He subsequently received his Masters in Business Administration from Bryant University, USA, with Finance as a major. Mr. Sameer L Kanodia has been spearheading the Company's successful expansion in Tier II cities like Nashik and Puducherry.

He is currently serving on the Board of Trustees at Bryant University, since February 2008.



## MRS. ASHA L. KANODIA , NON EXECUTIVE NON INDEPENDENT DIRECTOR

Mrs. Asha L. Kanodia is a Non-Executive Non-Independent Director of the Company. She is an arts graduate in Psychology from University of Mumbai. She studied Social Psychology at Massachusetts Institute of Technology (MIT), Boston, (USA). Mrs. Asha L. Kanodia is an Interior Designer. She has designed most of the offices of Datamatics. She has over 40 years of experience in Interior Designing.



**MR. SHAHZAAD S. DALAL , NON EXECUTIVE INDEPENDENT DIRECTOR**

Mr. Dalal is a Management Graduate from the USA. Mr. Dalal is the Chairman & Chief Executive Officer of IL&FS Investment Advisors LLC which is a fully owned subsidiary of IL&FS Investment Managers Ltd., one of India's leading Private Equity Fund Managers with US\$ 3.2 billion under management.



**MR. R. K. SARASWAT , NON EXECUTIVE INDEPENDENT DIRECTOR**

Mr. Saraswat is a commerce graduate and a Fellow Member of The Institute of Chartered Accountants of India. He has more than 40 years of experience (including 15 years in Mauritius, Middle East and UK) in Finance & Accounts. Prior to his retirement from Datamatics Limited as Director (Finance), he was the President of S. M. Dychem Limited and Senior Vice President of Grasim.



**MR. SUDHIR C. DESHPANDE, NON EXECUTIVE INDEPENDENT DIRECTOR**

Mr. Deshpande is a Civil Engineer from the University of London. He completed his Mechanical Engineering (M. Phil) from the King's College, University of London. He has also obtained a Certificate of Post Graduate Study in Engineering from University of Cambridge, the UK. Mr. Deshpande has more than 45 years of experience in Design Engineering. He specializes as a Geotechnical Consultant especially in Soil Testing Techniques.



**MR. VINAY AGGARWAL, NON EXECUTIVE INDEPENDENT DIRECTOR**

Mr. Vinay Aggarwal has an MBA in Finance from North Eastern University, USA. After a stint with Unisys in Detroit, he became the Vice President of Tata Unisys Ltd. (1981- 89). Thereafter he was appointed as 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.



**MR. DILIP D. DANDEKAR, NON EXECUTIVE INDEPENDENT DIRECTOR**

Mr. Dandekar is the Chairman of Kokuyo Camlin Ltd and Camlin Fine Sciences Ltd. He is also the Honorary Consul of Mongolia, Mumbai, Maharashtra State. He is a member of the Executive Committee of the Federation of Indian Chambers of Commerce and Industry (FICCI). He has served as the President of the Indian Merchants' Chamber and Maharashtra Chamber of Commerce, Industry and Agriculture. He has over 42 years of experience in the field of marketing, administration and overall management of companies.

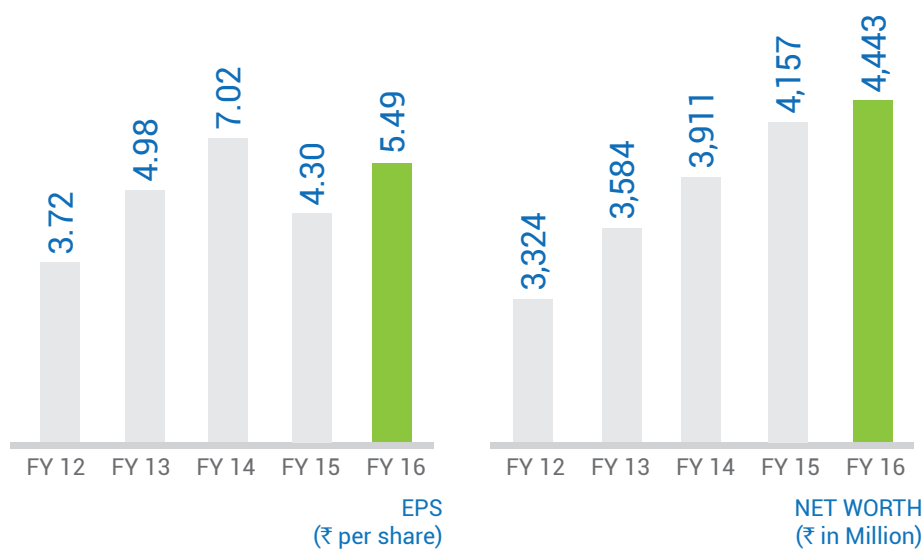
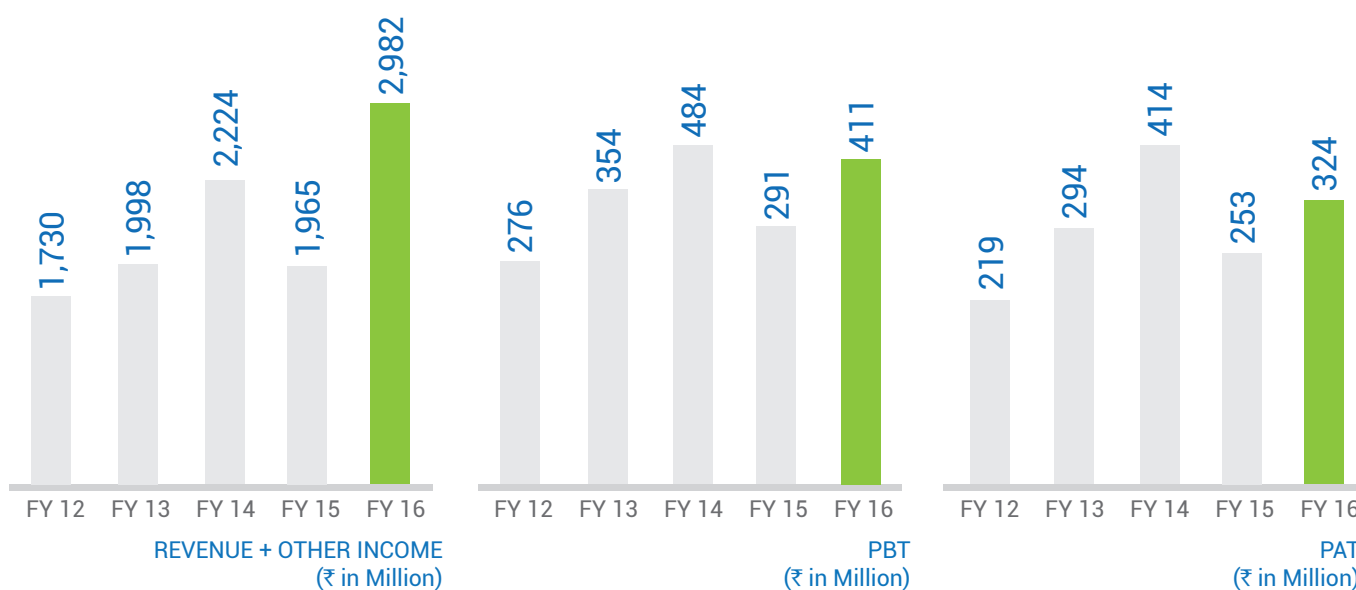


# FINANCIAL HIGHLIGHTS

## 5 YEARS STANDALONE

(₹ in Million)

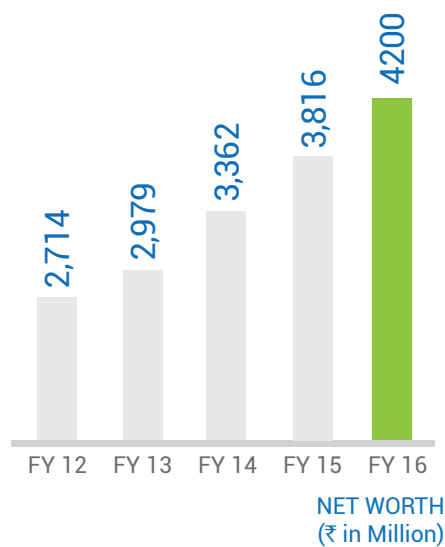
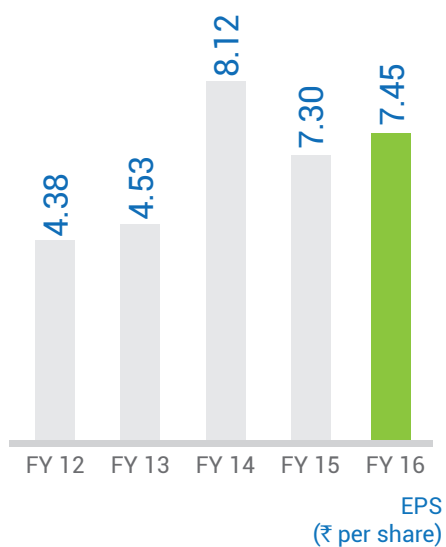
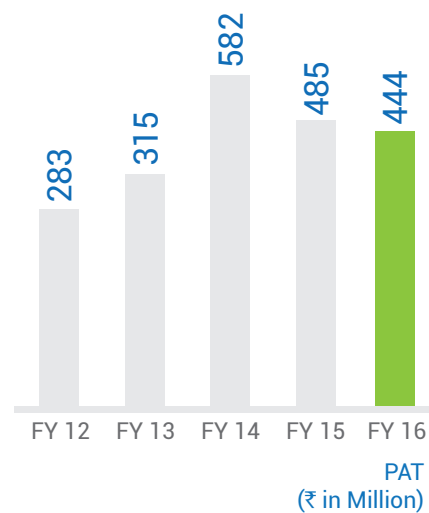
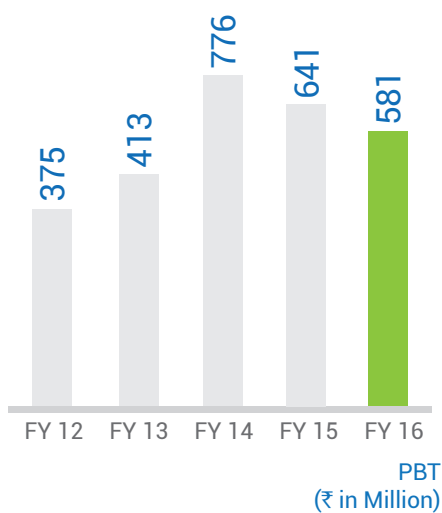
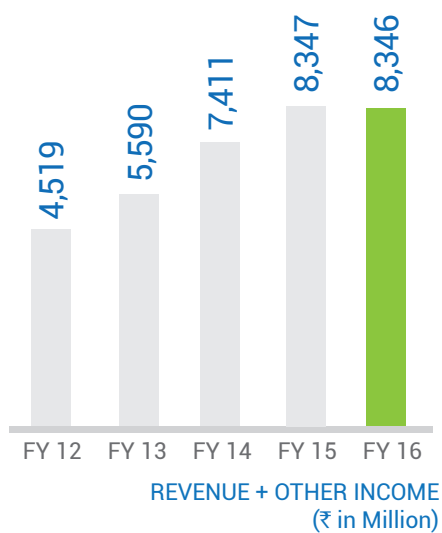
Particulars	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Revenue + Other Income	1,730	1,998	2,224	1,965	2,982
PBT	276	354	484	291	411
PAT	219	294	414	253	324
EPS	3.72	4.98	7.02	4.30	5.49
Net Worth	3,324	3,584	3,911	4,157	4,443



## 5 YEARS CONSOLIDATED

(₹ in Million)

Particulars	2011-2012	2012-2013	2013-2014	2014-2015	2015-2016
Revenue + Other Income	4,519	5,590	7,411	8,347	8,346
PBT	375	413	776	641	581
PAT	283	315	582	485	444
EPS (Diluted) (₹ Per share)	4.38	4.53	8.12	7.30	7.45
Net Worth	2,714	2,979	3,362	3,816	4,200



# CORPORATE INFORMATION

## REGISTERED OFFICE

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

## CORPORATE IDENTIFICATION NUMBER (CIN)

L72200MH1987PLC045205

## REGISTRAR & SHARE TRANSFER AGENTS

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

## SENIOR VICE PRESIDENT – LEGAL & COMPANY SECRETARY

Divya Kumat

## AUDITORS

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

## SOLICITORS

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

## BANKERS

Citi Bank  
ICICI Bank Limited  
HDFC Bank Limited  
Standard Chartered Bank



## DIRECTORS' REPORT

On behalf of the Board of Directors, I am happy to present the 28<sup>th</sup> Directors' Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2016.

### FINANCIAL PERFORMANCE

Your Company's financial performance for the year ended March 31, 2016 as compared to the previous financial year ended March 31, 2015 is summarized below:

Particulars	(` in Million) Consolidated		(` in Million) Standalone	
	2015-16	2014-15	2015-16	2014-15
Total Income	8,346	8,347	2,982	1,965
Profit before Interest, Depreciation and Tax	918	918	590	426
Interest	67	68	55	51
Profit before Depreciation and Tax	851	850	535	375
Depreciation	269	210	123	84
Profit Before Tax	582	640	412	291
Provision for Taxation	138	155	88	38
Profit After Tax	444	485	324	253
Balance Brought Forward from Previous Year	1,185	900	1,385	1,242
Profit Available for Appropriation	1,733	1,332	1,708	1,495
Depreciation pursuant to the Transitional Provisions as per Companies Act, 2013	0	25	0	18
Dividend	57	78	44	59
Tax on Dividend	12	15	6	8
Transfer to General Reserve	0	30	0	25
Balance Carried Forward	1,665	1,185	1,658	1,385

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

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

On a Consolidated basis, your Company achieved a total revenue of ₹ 8,346 million as compared to ₹ 8,347 million in the previous year. The profit after tax for the current year was ₹ 444 million as against ₹ 485 million in the previous year.

The total revenue on a standalone basis is ₹ 2,982 million as compared to ₹ 1,965 million in the previous year. The profit after tax for the current year was ₹ 324 million as against ₹ 253 million in the previous year.

### DIVIDEND

During the year, your Board of Directors had declared and paid an interim dividend of ₹ 0.50 per equity share [10%].

In addition to the Interim Dividend and based on the Company's performance, your Directors are pleased to recommend for approval of Members, a final dividend of ₹ 0.25 per share [5%]

for Financial Year 2015-16. The total dividend for the Financial Year 2015-16 amounts to ₹ 0.75 per equity share [15%] of face value of ₹ 5 each.

### TRANSFER TO RESERVES

The Company has not transferred any amount to the General Reserve. An amount of ₹ 1,665 million is proposed to be retained in the Statement of Profit and Loss.

### TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, any unclaimed or unpaid Dividend relating to the financial year 2008-09 is due for transfer on October 14, 2016 to the Investor Education and Protection Fund established by the Central Government. More details are available on <http://www.datamatics.com/investors/unpaidunclaimed-dividend>.

### ACCEPTANCE OF FIXED DEPOSITS

The Company has not accepted any fixed deposits during the year.



## SUBSIDIARY COMPANIES

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2016:

1. Datamatics Software Services Limited @
2. Cybercom Datamatics Information Solutions Limited
3. Lumina Datamatics Limited
4. CIGNEX Datamatics Technologies Limited
5. Datamatics Vista Info Systems Limited @
6. LDR eRetail Limited (w.e.f August 12, 2015)
7. LD Publishing & eRetail Limited (w.e.f October 26, 2015)

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2016:

1. Datamatics Global Services, Inc. (US)
2. Datamatics Global Services GmbH (Germany)\*\*
3. Datamatics Global Technologies GmbH (Germany) \*
4. Datamatics Global Solutions GmbH (Germany) \*\*
5. Datamatics Global Services GmbH d.o.o. in Bosnia
6. Datamatics Technologies UK Limited (UK)
7. Datamatics Infotech Limited (UK)
8. Datamatics Global Services Pty Limited (Australia)
9. Datamatics Global Technologies Limited (Mauritius)
10. Datamatics Global Technologies AG (Switzerland)
11. Datamatics Global Services FZ-LLC (Dubai)
12. Lumina Datamatics Inc. (US)
13. Lumina Datamatics GmbH
14. Lumina Datamatics Assessment and Analytics, LLC (US) \$
15. CIGNEX Datamatics Corporation (BVI)
16. CIGNEX Datamatics, Inc. (US) @@
17. CIGNEX Datamatics, Inc. (Michigan)
18. CIGNEX Datamatics GmbH (Germany)
19. CIGNEX Datamatics Pte. Limited (Singapore)
20. CIGNEX Datamatics UK Limited (UK) \$\$
21. Duo Design, LLC. #
22. Elevondata Holdings Labs Holdings, Inc.#

@ Merged with and into Datamatics Global Services Limited vide Bombay High Court Order dated April 22, 2016.

@@ Merged with CIGNEX Datamatics, Inc. (Michigan) w.e.f April 01, 2016

\* In the process of winding-up.

\*\* In the process of liquidation.

\$ Incorporated in US during the year

\$\$ Incorporated in UK during the year.

# Acquired during the year.

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.

During the year under review, Datamatics Software Services Limited (DSSL) and Datamatics Vista Info Systems Limited (DVISL), subsidiaries of the Company were amalgamated with and into the Company under Sections 391 to 394 of the Companies Act, 1956. The Appointed date was April 01, 2015.

The amalgamation was intended to enable the Company to consolidate DSSL and DVISL's operations in a single Company for stronger sustainable business, enhanced organizational capability and greater financial strength.

Pursuant to an order passed by the Honorable High Court of Judicature at Bombay on April 22, 2016, the Scheme of Arrangement was approved and DSSL and DVISL were amalgamated with and into the Company. As per the terms of the Scheme, no shares of the Company will be issued and allotted to the shareholders of DSSL and DVISL. The Scheme was made effective on May 13, 2016 by filing a copy of the Order with the Registrar of Companies, Maharashtra, Mumbai.

## SHARE CAPITAL

As on March 31, 2016, the Paid-up Share Capital of the Company is ₹ 294,746,685/- 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.

Pursuant to the amalgamation of DSSL and DVISL with and into the Company, the Authorized Share Capital of the Company has increased from ₹ 800 million to ₹ 975.5 million.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retirement by Rotation

In accordance with the provisions of the Companies Act, 2013 ("Act") and the Articles of Association of the Company, Mr. Sameer L. Kanodia, retires by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment.

### Independent Director

The Company has received declarations from all Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under the Act and Regulation 16(1)(b) of Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## MEETINGS OF THE BOARD

Eight meetings of the Board of Directors were held during the year. For further details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

## BOARD AND COMMITTEE EVALUATION

Criteria of performance evaluation of the Board of Directors including Independent Directors are laid down by the Nomination & Remuneration Committee of the Company. Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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. The parameters of performance evaluation were circulated to the Directors in the form of Questionnaire.

In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Executive Directors and Non-Executive Directors.

## DATAMATICS' DELIVERY CENTRES IN TIER II CITIES OF INDIA & USA

Datamatics Global Services Limited has had a good experience with establishing delivery centres in Tier-II cities.

**Nashik:** Today we are amongst the top two IT and BPO Company in Nashik. The current strength at Nashik is approximately 1300.

**Puducherry:** As on today, the overall strength of Puducherry is 600. We have recently acquired and inaugurated an additional facility that has the capacity to accommodate an additional 1500 employees, and we plan to leverage this centre to augment the growth of Datamatics.

**Ahmedabad:** The information technology industry has blossomed significantly in Ahmedabad, and Datamatics today has close to 370 employees in Ahmedabad.

**USA:** As the bulk of our operations are in suburbs of Detroit, (USA) we are exploring opening a delivery centre in a tier-II city i.e. Kansas in the State of Missouri.

## FUTURE GROWTH STRATEGY

Last fiscal was a year of consolidation and deepening our relationships with our clients. A larger part of our revenue

growth was generated from existing clients. We could achieve this due to our focused approach on client mining and providing customer centric business solutions. This is also reflected in the customer satisfaction survey results, with many customers giving us a full score.

Today, we are one of the major technology and business outsourcing providers to the largest healthcare payer organization in the US and Europe. We are also a strategic partner to several large banks in various geographies. Our work with them has not only been appreciated by the end clients but also by industry leaders. Several prestigious awards that we received during the year are testimony to our innovative work for our customers. In terms of a vertical industry growth, we expect strong growth coming from the Banking, Finance, Securities & Insurance (BFSI) and Transport sectors.

### Intelligent Robots called iBots

For the coming years, we shall continue to remain focused on a select few major thrust areas. These will revolve around smart automation powered through intelligent robots that automate business processes. Datamatics has been successfully using Robotic Process Automation (RPA) technology as a key enabler to help clients in their digital transformation journey. Our solutions use iBots, which is a family of intelligent robots to offer improved business efficiency and effectiveness by emulating human actions & decision making process and automating them, without making changes to the underlying systems and processes. In this process, intelligent software 'robots' (iBots) take on predictable and repeatable tasks, leading to cost reduction, while improving process quality and consistency and also enabling greater scalability. Our clients across sectors have been able to realize tangible benefits with our innovative approach towards smart automation which include increased productivity, reduced cycle time, improved accuracy and compliance.

Data Labs, our R&D Centre captures the true essence of the path-breaking work that we have been doing. This team has been successfully providing cutting edge solutions by way of developing innovative products and proprietary robots. Some of the path-breaking products that have been developed by Data Labs' expert team include:

1. **iBridge** is an award winning smart process automation software robot that can make complex and tedious manual effort based processes fast, accurate and user friendly. It uses robots to obtain and populate information across multiple software application and enables two way transfer of information between any two systems without the use of an API.

2. **iCM Migrator** robot automates the content migration process across multiple ECM platforms. It provides an intuitive Graphical User Interface (GUI) that facilitates an easy way of defining the migration parameters. It also exports the content automatically along with Metadata, Security, Roles & Groups in a secure manner, thus reducing the migration cycle time by 30 to 40%.
3. **iClass** is an intelligent automatic document classification robot that uses big data and text analytics. The classification process is based on a hybrid approach that combines machine learning, rules, and content analytics. It makes use of historical data to make the system auto learn the classification rules and then use the same for auto classifying incoming documents.
4. **iConcile** offers banks a smart and fully integrated robot that allows them to automatically reconcile bank statements. The smart automation process involves converting auto downloaded bank statements to standard MT940 format, matching them against SAP entries and showing the auto matches while listing down the mismatches for manual intervention.
5. **MarketWatch** makes use of robots to provide precise and accurate pricing of predefined competitor products. This enables clients to reset product prices on their respective portals, offer best possible deals and stay ahead of competition.
6. **Product Classification** makes use of technology and algorithms for pattern identification and to check the correct classification of products. It is achieved by using robots to crawl on various public domain sites and identify most appropriate product classification.

### Enterprise Intelligence

The digital revolution is reshaping the way business is done and data is at the epicenter of this digital revolution. Every smart business that is planning to stay ahead of the curve is focused on leveraging the power of data to derive enterprise intelligence.

With customers increasingly looking for solutions to manage their ever growing data needs and gain business insights, our value proposition of helping our customers in their '**Data to Intelligence**' journey has gained positive traction with them. Owing to the business benefits that our customers have been able to realize, our proprietary BI & Analytics tool - **nSights** was also recognized by the CIO community as the leader in BI & Analytics solution.

### Consulting & Advisory Practice

Our Consulting & Advisory Practice that we institutionalized last year has started showing positive results. Through our Consulting & Advisory Practice, Datamatics has been able to move up the value chain and provide higher value added services, while working as a strategic partner to its clients. As a result, customers are seeing value in the benefits that our teams of experts have been able to unfold for them.

### QUALITY

Quality is the way of life at Datamatics. Every process that we follow, every solution and service we design, create and deliver is permeated with the attitude of first-time-right quality. Like the previous year, this year too, our Delivery as per Commitment and Quality of Solutions is the strategic theme of the Company. Several initiatives have been rolled out to transform the way we look at our customer and execute our projects with the interest and expectations of the customer in mind. Winning accolades and awards for quality of our deliverables has almost become a habit. We have been continuously winning best quality and service awards at events organized by our various prestigious Fortune 500 customers. This year too has been no different.

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. We won the Global Quality Challenge award of one of the fortune 100 organizations for the eighth time. Further significant initiatives of your Company towards quality are:

#### 1. Lean Six Sigma Initiative

Leveraging the proven, effective and recognized Lean Six Sigma continues to be one of the key strategies to bring in exponential improvements in efficiencies, productivity and customer delight. This initiative continues to deliver significant benefits to the Company with improvements in Productivity, Efficiency, Quality and Customer Satisfaction. Over 350 Lean Six Sigma Projects and 1650 Kaizen Projects have been completed since the launch of this initiative in 2007. For the past consecutive five years, our improvement projects have been ranked within the top 5 projects out of around 80 projects from multiple industries and organizations in QIMPRO Conventions.

In the last financial year, an overall benefit that includes tangible and intangible benefits, of ₹ 22 million with an ROI of more than 200% was achieved through these performance improvement methodologies.

The Company has about 25 Six Sigma Green Belt and 40 Six Sigma White Belt certified professionals along with 6 Six Sigma Black Belt and 1 Six Sigma Master Black Belt certified professionals. The Company spent over 4000 person hours of training around continuous improvement in the last financial year.

## 2. Certifications

Your Company, keeping true to its commitment of designing and implementing its Quality Management Systems as per the global standards and benchmarks has been assessed and certified on standards such as ISO 9001:2008, SEI - CMMI Version 1.3 high maturity Level L4, and ITIL. New centers that we added last year have also been assessed and certified for compliance to these standards.

As you are aware, the thrust and demands on information security is increasingly becoming stricter. In line with the demands as well as our own analysis of the information security landscape, we continue to lay great emphasis on the Information Security Management Systems. Last year, we not only retained the ISO 27001:2005 certification for our Information Security Management Systems but also brought all our centers under the purview of the information security management. We also got certified to SSAE 16 SOC 1 and SOC 2 requirements with HiTRUST capabilities. We also have been certified to HIPAA requirements. These standards are critical standards for Financial, Insurance and Healthcare industries. Our commitment to ensure a robust Information Security Management System for our customers has been bolstered by these certifications. We will continue to strengthen this as we enter the new financial year. We also have a dedicated Risk Manager certified to the requirements of ISO 31000 to ensure that we, as an organization have all our processes designed with a risk-based approach.

## 3. Customer Satisfaction Tracking

Previously, we conducted a comprehensive branding survey among our customers to assess their priorities and their perceptions about the Company against these priorities. We are happy to share with you, that there is no jarring incongruence between the two. However, as an organizational improvement initiative, we have identified, as shared earlier, Delivery as per Commitment and Quality of Solutions.

The Customer Satisfaction and Loyalty index measuring process continues to provide invaluable insights into our customer's expectations and our performance vis-à-vis

these expectations. This is done once every six months and captures customer's feedback on a wide range of parameters that encompass each aspect of service excellence. We feel proud to share with you that overall our Customer Satisfaction Index has been 4.87 on a scale of 1-6 (1 being the lowest and 6 being the highest) with about 75% of our Customers rating us "highly satisfied" and "delighted". In addition to this formal mechanism, we also have systems that capture customer feedback received through other formal and informal channels. The results of these also show an improving trend.

## 4. Metrics and Process Compliance Index

We use a Delivery Index to measure and compare the performance for each Line of Services (LOS). It incorporates the three key indicators of performance of any project viz Quality, Effort and Schedule adherence and a stop light (red-amber-green) dashboard is used to display the performance.

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

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

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

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

## INTELLECTUAL PROPERTY RIGHTS

Apart from the intellectual Robots (iBots) mentioned in the earlier section of this Directors' Report, we have also invested in building core Intellectual Property that is offered to our clients through our products and solutions, some of which are detailed below:



**i-Q** an ERP of Document Processing conceived and architected by Dr. Lalit S. Kanodia which uses artificial intelligence and fuzzy logic to process documents. It is modular, configurable and customizable and can recognize type-written, hand written, structured, semi-structured and unstructured documents. i-Q is copyrighted and works in 3 modes simultaneously viz. Auto Capture, Click and Capture and Manual Keyboarding. Several Fortune 500 Companies globally and other organizations based out of US, UK, Germany, UAE and India use i-Q.

**nSights Touch Dashboard** is point-and-click data visualization solution which allows organizations to create highly interactive dashboards from multiple data sources as data visualization and interactivity is imperative to drive timely, data based decisions while keeping an eye on organizational motives and strategies. It helps in visualizing future performance thereby saving cost, time, and resources while extending the reach of IT solutions and maximizing the value of IT investments. It can consolidate multiple reports and datasets from various locations into a single dashboard – giving a holistic view of an organization's data.

**nSights Financial Consolidation Management (FCM)** is a complete Data Warehouse (DW) model that eliminates the potential for errors and reduces the time spent on repetitive manual processes as manual financial reports take several man days for consolidation due to the various formats used in disparate sources and their respective adjustments. These reports are vital for organizations as they help engage in effective decision-making in accordance with the Company's objectives and overall strategies. It caters to standard statutory reporting requirements for publishing financial statements and for balance sheet consolidation coupled with extensive analytical reports. With its multicurrency capabilities, automated calculations and adjustments, nSights FCM can also address accounting and regulatory issues.

**iMobile** is the Professional Mobility Platform for complete solution development and operation. iMobile's Mobility Platform enables you to manage the entire lifecycle of application deployment: from user management through to application distribution, troubleshooting and reporting. The platform is being used by independent software vendors and system integrators to bring to market their own mobile solutions. A set of mobile solutions, based on the iMobile platform are developed for organizations in the transportation, field service and construction industries.

**IPM** – is the acronym for **Intelligent Process Manager** and as the name indicates, it is intended to manage the business process intelligently in terms of implementing the business workflows with simplicity, flexibility and extensibility in a process/domain neutral manner and providing adequate visibility to the whole process flow at run-time / offline as part of business activity monitoring and alerting mechanisms

employed, in addition to leveraging the capabilities of nSights for presenting reports / analytical dashboards.

### Datamatics Pulse

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

## HUMAN RESOURCES MANAGEMENT AND EMPLOYEE RELATIONS

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

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

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

The HR department of the Company regularly conducts the following programs:

**"Climate Survey"** and **"Open House"** to ensure that employees' views and opinions are taken on board, as well as the Company's larger strategy is discussed and shared with them. Both these initiatives have HRD Head and leadership teams of each LOS to bring a shared understanding of the larger organizational direction. It renders the employee a platform to voice their views, opinions for the possible areas of improvement which in turn enhance employee engagement and fosters direct organizational Growth.

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

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

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

"Saarathi" associates with the new employee during their first 3 months of employment, rendering guidance, support and share experiences with. This helps "break the ice", build a personal connect and create congenial environment for the new employee, making sure that the new hire gets settled fast in the new work environment..

**Euphoria - Monthly Departmental Meet:** A monthly meeting is conducted by the HRD, which offers the team an opportunity to interact with each other, come together and celebrate. It provides a platform on monthly basis for the Seniors & HRD to provide updates, to have an element of fun together, reward & recognize employees, all with a munch & mingle session at the end. It works as a motivator to perform outstandingly.

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

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

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

Our Company has rich diversity in its employees with a common aim to excel. A culture of co-operation and solidarity is infused by celebrating National holidays and festivities

such as Independence & Republic Day, Diwali, Dandiya & Christmas. Initiatives such as JOSH, where employees offer their innovative ideas help to unleash their creativity, maintain a balance between work & life and create a deep sense of bonding among employees.

## LEARNING & DEVELOPMENT (L&D)

Learning & Development (L&D) conducted the following programs during the year 2015-16:

### Eagle @ Datamatics:

We have successfully executed 7 phases of Eagles program. The program has been known across the organization and industry. All Eagle programs till date have been successfully completed with the expected results. Eagle program has helped the organization in creating passion and zeal amongst the team members. The team members explored and enhanced their creativity, resourcefulness, bonding, accountability, influencing skills and belief in themselves. New Eagle 8 Program was launched in January 2016 where 42 new eagles (employees) were inducted with the new strategic objective to be achieved.

### Project Management Preparatory Course (PMP):

DGSL is REP – Registered Education Provider for PMP training. We execute PMP training for our employees. Our in house trainers train our members by giving a 5 day module on PMP. As of today we have 40+ certified PMP professionals who have been trained internally to get the certification.

### Synergy:

The Team Building Workshop based on experiential learning - It's a customized program basis the problems faced by the team. The program helps the team and team members to synergize and become a good working force. It touches and eliminates all the problems faced within the team and helps the team to bond in one seamless unit. Till date 42 programs have been executed. This program is executed in-house, and has managed to generate immense curiosity amongst the employees and clients who often participate remotely.

### Blended Learning:

**Training via the WebEx Training tool:** The L&D team has expanded their horizons for training execution to be done via WebEx for employees across the organization. With the help of the tool, L&D is able to address the global learning audience with ease and also large audiences effectively. This helps the L&D teams to execute training and participants to participate in training from any location. It's a win-win situation for all the parties involved. The L&D team records the training for future use and executes the pre-recorded training via WebEx.

Recorded WebEx training sessions are made available to employees as and when they feel the need to revisit any training in case they have missed this during the live session. This has imbibed a continuous learning attitude amongst the employees.

**eShiksha – eLearning Platform:** A new module based, eLearning platform was introduced for our employees where the employees can learn anytime, anywhere, at their convenience.

#### Foreign Languages:

Gaining proficiency in foreign languages enables width of operations for both employees and the Company. Therefore, Datamatics encourages employees to get themselves certified in foreign languages. Accordingly, '**Learn German**' & '**Learn Italian**' initiatives have been rolled out to encourage employees hone their language skills in order to better respond to our global clientele.

L&D has clocked 2,38,961 man-hours in the year 2015–16 with an average score of 4 on 5.

## AWARDS & ACHIEVEMENTS

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

- 🏆 Datamatics was awarded the 'Corporate Excellence- for leveraging IT for Business Performance' at the Lokmat Corporate Excellence Awards ceremony held in Mumbai;
- 🏆 Datamatics was awarded the 'Best Health Insurance BPO Provider' at the Asia Outsourcing Leadership Awards 2016;
- 🏆 Datamatics' s product iBridge (Robokey) won the 'IMC IT Product Award in Large category' at the IMC IT Product Awards 2015;
- 🏆 Datamatics has been felicitated with the 'CIO's Choice Awards 2016' at the CIO's Choice Awards ceremony held in Mumbai;
- 🏆 Datamatics won the 'Semi Annual UHC Operations Global Quality Challenge Award' for the 8th time in a row at the Asia Outsourcing Leadership Awards 2016;
- 🏆 Datamatics' Travel Desk Team was awarded the 'Most Well Planned Business Travel' at the 10th Edition of Mice Travel Mart and Leisure & Luxury Travel Mart Awards ceremony held in Mumbai;
- 🏆 Datamatics was honored with 'Technology Partner for Global Transit Revenue Systems Award';
- 🏆 Datamatics' Learning & Development team was the proud winner of 'Coaching/Mentoring Program' and 'Synergy – Games Based Learning' at the 7th Edition of the LeapVault CLO Awards by Tata Institute of Social Sciences (TISS) held in Mumbai;
- 🏆 CIGNEX Datamatics has been recognized with the 'Quality Excellence Award' at the prestigious Indian Merchants Chambers – IT Awards 2015 held in Mumbai;
- 🏆 CIGNEX Datamatics received the 'Solution Provider of the Year' and the 'Excellence in Value Creation' awards at the Lokmat Corporate Excellence Awards in Mumbai;
- 🏆 CIGNEX Datamatics was felicitated with the 'Community Excellence Award' by 'Liferay' for the 5th consecutive year;
- 🏆 CIGNEX Datamatics won the 'Best Analytics Service in Sales Analytics' award for its expertise in Big Data & Analytics at the 9th Customer FEST Awards 2016 held in Mumbai;
- 🏆 CIGNEX Datamatics was awarded the 'Global HR Excellence' and 'Employer Branding' awards at the 24th edition of the World HRD Congress 2016;
- 🏆 Lumina Datamatics won the 'eCommerce Service Provider of the Year' award at the prestigious Asian retail Leadership Awards 2015 held in Dubai;
- 🏆 Lumina Datamatics has been recognized with the 'Business Excellence in BPO/ITeS' award at the Indian Merchants Chambers – IT Awards 2015 held in Mumbai;
- 🏆 Dr. Lalit S. Kanodia, Chairman received the 'Indian of the Year – IT, Consulting and BPO Services' award at 6th Annual India Leadership Conclave and Business Leadership Awards 2015 by Indian Affairs and Network 7 Media Group;
- 🏆 Mr. Rahul L. Kanodia, Vice Chairman & CEO, was featured as 'Entrepreneur of the Month' in 'Silicon Review' magazine.
- 🏆 Ms. Varad Kamini Arora, Vice President – Digital Marketing and Communication at Datamatics received the 'Leading Woman Award' for Women Owned Innovative Project at the 6th Annual Women leaders in India Summit held in Mumbai;
- 🏆 Mr. Sajid Patel, AVP – Head of Learning & Development and Employee Relations at Datamatics has been recognized amongst the '25 Most Influential Training and Development Professional' by the World Training and Development Congress under the banner of 24th Edition of World HRD Congress 2016;

Ms. Ankita Singh, Head HR – India at CIGNEX Datamatics won the prestigious ‘Leading Women in Human Resources (IT) Award’ at the 6th Annual Women Leaders in India Summit organized under the banner of iiGlobal;

Ms. Ankita Singh, Head HR – India at CIGNEX Datamatics won the ‘HR Leadership Award’ at the Lokmat Corporate Excellence Awards in Mumbai;

Mr. PKV Sastry, COO at CIGNEX Datamatics was felicitated with ‘Exemplary Leader Award’ at the 24th Edition of World HRD Congress 2016 in Mumbai;

Mr. Jitendra Rajput and Mr. Ravi Gupta, Liferay Consultants of CIGNEX Datamatics have been awarded the ‘Liferay Top Contributor’ award;

Ms. Nancy Kincade, Senior Project Manager, managing the book series titled ‘Explore our world, Student Books Level 1 – 6’ has won the ‘Best in Category’ for EI – Hi Print Series at the New England Book Show.

## POLICY ON DIRECTORS’ APPOINTMENT AND REMUNERATION AND OTHER DETAILS

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

A brief of the policy on Director’s appointment and remuneration including criteria for determining qualifications, positive attributes, Independence of Director, and also remuneration for Key Managerial Personnel and other employees, forms part of Corporate Governance Report of this Annual Report.

## PARTICULARS OF EMPLOYEES

Disclosure with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed as “Annexure – A” to this Report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 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 of employees 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 Companies Act, 2013, 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’ CODE OF CONDUCT FOR REGULATING TRADING BY INSIDERS

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

The Code of Conduct for Regulating of Trading by Insiders is available on our website (<http://www.datamatics.com/sites/default/files/Code-of-Fair-Disclosure-and-Conduct.pdf>)

## DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Companies Act, 2013, 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, 2016, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a ‘going concern’ basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



## AUDITORS

### Statutory Auditors

The Statutory Auditors, M/s. Kanu Doshi Associates LLP, Chartered Accountants, Mumbai, hold office until the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Statutory Auditors, if reappointed. The Company has received a certificate from the above Auditors to the effect that if they are reappointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013.

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 ("Act") and the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, the Company with the approval of the Board, appointed Mr. Tushar Shridharani, Practicing Company Secretary, to undertake the Secretarial Audit for the financial year ended March 31, 2016. Mr. Tushar Shridharani has submitted the Report confirming compliance with the applicable provisions of Act and other rules and regulations issued by SEBI/other regulatory authorities for corporate law. The Secretarial Audit Report for the financial year ended March 31, 2016 is annexed as "Annexure – B" to this Report.

## INFORMATION ON AUDITORS' OBSERVATIONS

### 1) Statutory Auditors:

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

### 2) Secretarial Auditor:

There are no qualifications, reservations or adverse remarks made by the Secretarial Auditors in their report.

## CORPORATE GOVERNANCE

Corporate Governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. This is ensured by taking ethical business decisions and conducting business with a firm commitment to values, while meeting stakeholders' expectations. Our Board exercises fiduciary responsibilities in the true spirit of the term.

The Companies Act, 2013 and SEBI Listing Regulations have strengthened the governance regime in the country. Your Company is in compliance with the governance requirements provided under the Listing Regulations.

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

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## COMPOSITION OF THE COMMITTEES OF THE BOARD

### Audit Committee

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

### Nomination & Remuneration Committee

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

### Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee consists of the following members: Mr. Rahul L. Kanodia, Chairman; Mr. R. K. Saraswat, Member; Mr. Vidur V. Bhogilal, Member (till September 22, 2015) and Mr. Sameer L. Kanodia, Member. For more information, please refer the "Corporate Governance Report".

### The Stakeholders Relationship Committee

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

## EMPLOYEE STOCK OPTION PLANS (ESOP)

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, have at their meeting held on May 27, 2016 approved the closure of Key ESOP Scheme 2006, General ESOP Scheme 2007, Key ESOP Scheme 2007, General ESOP Scheme 2011 and Key ESOP Scheme 2011. There are no existing granted options in any of the above-mentioned ESOP schemes.



## PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the standalone financial statements provided in this Annual Report.

## CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has formulated a Policy on Related Party Transactions which is also available on Company's website at <http://www.datamatics.com/investors/corporate-governance>. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

All contracts / arrangements / transactions entered into by the Company during the financial year with related parties were in the ordinary course of business and at arm's length basis. No Material Related Party Transactions were entered into during the financial year by your Company. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC-2

is not applicable. Your Directors draw attention of the Members to Notes to accounts of the financial statement which sets out related party disclosures.

## LISTING AGREEMENT

The Securities and Exchange Board of India (SEBI), on September 02, 2015, issued SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 with the aim to consolidate and streamline the provisions of the Listing Agreement for different segments of capital markets to ensure better enforceability. The said regulations were effective from December 01, 2015 and all listed entities were required to enter into the new Listing Agreement within six months from the effective date. Accordingly, the Company has entered into the Listing Agreement with BSE Limited and National Stock Exchange of India Limited within the stipulated time.

## POLICIES

The SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, mandated the formulation of certain policies for all Listed Companies. In compliance with the above requirement, all our policies are available on our website (<http://www.datamatics.com/investors/corporate-governance>). The policies are reviewed periodically by the Board and updated based on need and new compliance requirement.

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

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

## INTERNAL FINANCIAL CONTROL SYSTEMS RELATED TO FINANCIAL STATEMENTS

The Company's internal control systems are commensurate with the nature of its business and the size and complexity of operations. The Audit Committee reviews 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. Your Company has adopted accounting policies which are in line with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 that continue to apply under Section 133 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and relevant provisions of the Companies Act, 1956, to the extent applicable. These are in accordance with Generally Accepted Accounting Principles in India. Changes in policies, if any, are approved by the Audit Committee in consultation with the Auditors.

The policies to ensure uniform accounting treatment are prescribed to the subsidiaries of your Company. The accounts of the subsidiary companies are audited and certified by their respective Auditors for consolidation.

Your Company operates in SAP, an ERP system, and has many of its accounting records stored in an electronic form and backed up periodically. The ERP system is configured to ensure that all transactions are integrated seamlessly with the underlying books of accounts. Your Company has automated processes to ensure accurate and timely updation of data in the underlying ERP system.

The Management periodically reviews the financial performance of your Company and takes necessary action, wherever necessary.

## RISK MANAGEMENT POLICY

Your Company has a well defined, robust and effective Information Security and Risk mitigation system. The information security management system based on International Standard ISO 27001:2005 addresses all concerns and apprehensions towards handling information that is sensitive and confidential effectively. The purpose of risk management is to achieve sustainable business growth, protect Company's assets, safeguard shareholder's investment and ensure compliance with applicable laws and regulations.

Risk management is controlled by the Risk Management Policy. The policy is intended to ensure that an effective risk management framework is established and implemented within the Company.

In line with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors has approved the Risk Management Policy to monitor the risks and their mitigating actions.

## CORPORATE SOCIAL RESPONSIBILITY

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the financial year 2015-16 are annexed as "Annexure – C" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

## SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

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

## EXTRACT OF ANNUAL RETURN

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

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

The information required in connection with conservation of energy, technology absorption and foreign exchange earnings and outgo, under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the Directors furnish herein below the required information:

### A. CONSERVATION OF ENERGY:

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

**B. TECHNOLOGY ABSORPTION:**

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

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

Foreign Exchange Earned in terms : ₹ 1,939.14 million  
of Actual Inflows  
Foreign Exchange Outgo in terms : ₹ 188.08 million.  
of Actual Outflows

**ACKNOWLEDGEMENTS**

The Directors thank the Company's customers, shareholders, suppliers, vendors, bankers, financial institutions, Governments authorities and other stake holders. We place on record our appreciation of the contribution made by our employees at all levels. 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

Place : Mumbai  
Date : May 27, 2016

## “ANNEXURE – A”

### To the Directors' 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 2015-16:

Executive directors	Ratio to median remuneration
Dr. Lalit S. Kanodia	69.67
Mr. Rahul L. Kanodia	86.67
Mr. Vidur V. Bhogilal *	22.50
Mr. Sameer L. Kanodia	52.33
Non-executive directors	Ratio to median remuneration
Mr. R. K. Saraswat	3.07
Mr. Sudhir C. Deshpande	3.07
Mr. Shahzaad S. Dalal	1.17
Mr. Dilip D. Dandekar	2.38
Mrs. Asha L. Kanodia	2.74
Mr. Vinay M. Aggarwal	2.56

\* Mr. Vidur V. Bhogilal has resigned w.e.f September 22, 2015.

- (II) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial officer and Company Secretary in the financial year 2015- 16:

Particulars	% Increase in remuneration in the FY
Dr. Lalit S. Kanodia	(12.00)
Mr. Rahul L. Kanodia	(11.95)
Mr. Vidur V. Bhogilal *	(49.81)
Mr. Sameer L. Kanodia	(10.29)
Mr. R. K. Saraswat	35.48
Mr. Sudhir C. Deshpande	35.48
Mr. Shahzaad S. Dalal	(13.51)
Mr. Dilip D. Dandekar	47.73
Mrs. Asha L. Kanodia	70.45
Mr. Vinay M. Agarwal**	0.00
Ms. Divya Kumari, Company Secretary	5.06
Mr. Siddharth Saboo, Chief Financial Officer***	0.00

\*Mr. Vidur V. Bhogilal has resigned w.e.f September 22, 2015.

\*\* Mr. Vinay M. Aggarwal was appointed w.e.f May 27, 2015, therefore increase in remuneration is not applicable.

\*\*\* Mr. Siddharth Saboo was appointed w.e.f November 16, 2015, therefore increase in remuneration is not applicable.

- (III) The percentage increase in the median remuneration of employees in the financial year: Nil

- (IV) The number of permanent employees on the rolls of Company: 3,172

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

On an average, employees received an annual increase of 8% in India. The individual increments varied from 5% to 15%, based on individual performance. Employees outside India received wage increase varying from 1% to 2%. The increase in remuneration is in line with the market trends in the respective countries. In order to ensure that remuneration reflects Company performance, the Performance pay is also linked to organization performance, apart from an individual's performance.

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

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2016 (₹ in Million)	39.51
Revenue (₹ in Million)	2,816.09
Remuneration of KMPs (as % of Revenue)	1%
Profit before tax (PBT) (₹ in Million)	411.18
Remuneration of KMP (As % of PBT)	10%

- (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, 2016	March 31, 2015	% Change
Market Capitalization (₹ in Million)	3,171.47	3,964.30	-20%
Price Earning Ratio	7.22	15.64	-54%

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

Particulars	March 31, 2016	IPO date	% Change
Market Price (BSE)	54	110	-51%
Market Price (NSE)	53.8	110	-51%



- (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 percentile increase was around 8% whereas average annual percentile managerial remuneration for the financial year 2015-16 was decreased by 11.03%.

- (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. Vidur V. Bhogilal	Mr. Sameer L. Kanodia	Ms. Divya Kumat	Mr. Siddharth Saboo
Remuneration in FY 2016 (₹ in Million)	9.52	11.85	3.08	7.15	6.21	1.71
Revenue (₹ in Million)	2,816.09					
Remuneration as % of revenue	0.34%	0.42%	0.11%	0.25%	0.22%	0.06%
Profit before tax (PBT) (₹ in Million)	411.18					
Remuneration of KMP (As % of PBT)	2.32%	2.88%	0.75%	1.74%	1.51%	0.41%

- (X) 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.

- Commission to Chairman & Vice – Chairman:** The Commission payable to Dr. Lalit S. Kanodia and Mr. Rahul L. Kanodia is 1% of the net profits of the Company as computed in accordance with the provisions of the Companies Act, 2013.
- Incentives to other Executive Directors:** The Nomination and Remuneration Committee evaluates the performance of other Executive Directors. The Committee approved the payment of incentives to other Executive Directors based on their performance aligned with the Company's overall performance.
- Commission to Non – Executive Directors:** The Members have, at the AGM of the Company held on September 23, 2014 approved the payment of commission upto the limit of 0.25% of its net profits of the Company as computed under the applicable provisions of the Act. The said commission is decided each year by the Board of Directors and distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings, as well as the time spent on operational matters other than at meetings.

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

- (XII) 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 DIRECTORS REPORT

#### Secretarial Audit Report for the Financial Year ended on March 31, 2016

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 31 March, 2016 (“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:

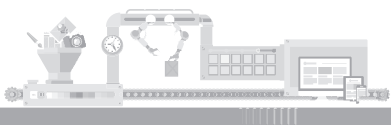
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The erstwhile Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 notified with effect from 15 May, 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 notified with effect from 1 July, 2015;
- (b) The erstwhile Listing Agreements entered into by the Company with stock exchanges and The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 notified with effect from 1 December, 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.

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

Place : Mumbai

Date : May 27, 2016

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

## “ANNEXURE - C”

### TO THE DIRECTORS 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”

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.

CSR is a part of corporate strategy at Datamatics to meet the Company’s goals. It is endorsed by the leadership, linked to specific objectives and aligned with core competencies. The CSR@datamatics is a carefully outlined plan made in consultation with stakeholders of the Company. The Company drives its CSR initiatives through a corporate body named ‘ASHA’. Led by Senior Management, this initiative is promoted throughout the Company. Acting responsibly towards the society is a part of the Datamatics DNA. Datamatics has always been a strong proponent of being a socially responsible Company. The CSR policy aims at bringing about a transformation in the quality of life of people through social upliftment programs.

In accordance with the provisions of Section 135 of the Companies Act, 2013, your Board of Directors have constituted a CSR Committee. The Composition and terms of reference of the CSR Committee is provided in the Corporate Governance Report. The Corporate Social Responsibility Policy of the Company, as approved by the Board of the Directors, is available on the Company’s website at <http://www.datamatics.com/company/corporate-social-responsibility>.

A brief overview of the projects undertaken by the Company:

#### PROMOTING EDUCATION

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

2. The Composition of the CSR Committee:

The composition of the CSR Committee as on March 31, 2016 is as follows:

Name of the Member	Nature of Directorship
Mr. Rahul L. Kanodia, Chairman	Vice Chairman & CEO
Mr. R. K. Saraswat, Member	Non-Executive Independent Director
Mr. Vidur V. Bhogilal, Member	Executive Director & CFO (Till September 22, 2015)
Mr. Sameer L. Kanodia, Member	Executive Director

3. Average net profit of the Company for last three financial years: ₹ 32.962 million
4. Prescribed CSR Expenditure (2% of this amount as mentioned in Sr. No. 3 above): ₹ 6.592 million.
5. Details of CSR spent during the financial year:
  - (a) Total amount spent for the financial year: ₹ 1.847 million
  - (b) Amount unspent: ₹ 4.745 million



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

(₹ in Million)

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 student	Promoting Education	Maharashtra	₹ 1.847/-	₹ 1.847/-	-	₹ 1.847/-	Direct
	<b>TOTAL</b>				₹ 1.847/-	-		

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

The Company aims at putting CSR expenditure in sustainable model to ensure maximum benefit to the society. Keeping in mind this aim, the Company will endeavor to spend on CSR activities in accordance with the prescribed limits on scalable CSR activities coupled with new initiatives. However, the main objective of the Company is to grow its business and generate direct and indirect employment as well as to contribute in foreign exchange earnings.

The Company operates in IT & ITeS Sector, which is very sensitive to technological changes which keep occurring at a very rapid pace vis-à-vis other business sectors. Therefore, in order to continue having foothold in the competitive market, the Company is required to conserve its resources to the best possible extent.

Also, the Board of Directors of the Company have thought it prudent to conserve the resources of the Company so that they can be deployed for various future growth initiatives and expansion plans by targeting new customer segments and markets across different regions. Considering the above business exigencies, the Board decided to spend ₹ 1.847 Million on CSR activities in the financial year 2015-16.

**7. CSR Committee Responsibility Statement:**

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

**For and on behalf of the Board**

**Rahul L. Kanodia**  
Chairman of CSR Committee  
(DIN: 00075801)

**R. K. Saraswat**  
Director  
(DIN: 00015095)

Place : Mumbai  
Date : May 27, 2016

# “ANNEXURE - D”

## TO THE DIRECTORS REPORT

### FORM NO. MGT - 9

#### EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2016

[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.	Datamatics Financial Services Limited Plot No. B-5, MIDC, Part B, Cross lane, Andheri (East), Mumbai-400 093. Tel: 91-22-6671 2151 Fax: 91-22-6671 2250 Email: <a href="mailto:depository@dfssl.com">depository@dfssl.com</a> website: <a href="http://www.datamaticsbpo.com">www.datamaticsbpo.com</a>

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

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

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held as on March 31, 2016	Applicable Section
1	Delta Infosolutions Private Limited Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U72300MH1992PTC064911	Holding	53.97	2(46)
2	Lumina Datamatics Limited 12 <sup>th</sup> & 13 <sup>th</sup> Floor, Phase II, Ascendas international Tech Park, Taramni Road, Chennai - 600113.	U22220TN2007PLC065507	Subsidiary	73.12	2(87)
3	Cybercom Datamatics Information Solutions Limited Unit No. 105, First Floor, Multistoried Building, Seepz - Sez, Andheri (E), Mumbai 400096.	U72900MH2000PLC123469	Subsidiary	50.50	2(87)
4	CIGNEX Datamatics Technologies Ltd. Ground Floor, President Plaza Cross Roads, S.G. Highway, Ahmedabad - 380054.	U72200GJ2006PLC048349	Subsidiary	-	2(87)
5	LDR eRetail Limited Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai 400 093.	U74120MH2015PLC267425	Subsidiary	-	2(87)
6	LD Publishing and eRetail Limited 12 <sup>th</sup> Floor, Phase II, Crest, International Tech Park, Taramani CSIR Road, Chennai - 600113	U74900TN2015PLC102688	Subsidiary	100	2(87)
7	Datamatics Software Services Ltd. Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East) Mumbai - 400 093.	U99999MH1981PLC125014	Subsidiary	100	2(87)
8	Datamatics Vista Info Systems Limited Ground Floor, Plot No. 57, Street No. 17, MIDC, Andheri (East), Mumbai - 400 093.	U72200KA2008PLC046430	Subsidiary	-	2(87)
9	Datamatics Global Services, Inc. (US) Suite 100 & 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	100	2(87)
10	Datamatics Global Services GmbH Im Leuschnerpark 4, 64347, Griesheim.	Not Applicable	Subsidiary	100	2(87)
11	Datamatics Technologies UK Limited 1, Doughty Street, London, WC1N2PH.	Not Applicable	Subsidiary	100	2(87)
12	Datamatics Infotech Limited 1, Doughty Street, London, WC1N2PH.	Not Applicable	Subsidiary	100	2(87)
13	Datamatics Global Services Pty Limited Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia	Not Applicable	Subsidiary	100	2(87)
14	Datamatics Global Technologies Ltd. 3 <sup>rd</sup> Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius.	Not Applicable	Subsidiary	100	2(87)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held as on March 31, 2016	Applicable Section
15	Datamatics Global Technologies AG MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.	Not Applicable	Subsidiary	100	2(87)
16	Datamatics Global Services FZ-LLC 3201, 32nd Floor, Al Shatha Tower, Dubai, United Arab Emirates.	Not Applicable	Subsidiary	100	2(87)
17	Datamatics Global Technologies GmbH Gerhart-Hauptmann-Strasse 20, 64347 Griesheim	Not Applicable	Subsidiary	-	2(87)
18	Datamatics Global Solutions GmbH Im Leuschnerpark 4, 64347, Griesheim	Not Applicable	Subsidiary	-	2(87)
19	Datamatics Global Services GmbH d.o.o. in Bosnia Gunduliceva br. 33 Banja Luka, 78 000, Bosnia and Herzegovina	Not Applicable	Subsidiary	-	2(87)
20	Lumina Datamatics Inc. 4 Collins Avenue, Plymouth, MA 02360, USA	Not Applicable	Subsidiary	-	2(87)
21	Lumina Datamatics GmbH Im Leuschnerpark 4, 64347 Griesheim.	Not Applicable	Subsidiary	-	2(87)
22	Lumina Datamatics Assessment & Analytics LLC 4 Collins Avenue, Plymouth, MA 02360, USA	Not Applicable	Subsidiary	-	2(87)
23	CIGNEX Datamatics Corporation Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands.	Not Applicable	Subsidiary	-	2(87)
24	CIGNEX Datamatics, Inc. 2350 Mission College Blvd, Suite 475-490, Santa Clara, CA 950 54.	Not Applicable	Subsidiary	-	2(87)
25	CIGNEX Datamatics, Inc. [Michigan] 31572 Industrial RD, STE, 400 Livonia MI 48150.	Not Applicable	Subsidiary	-	2(87)
26	CIGNEX Datamatics GmbH Fuhrmannstrasse 8, 64289 Darmstadt, Germany.	Not Applicable	Subsidiary	-	2(87)
27	CIGNEX Datamatics Pte. Limited 08-03, SGX Centre 2, 4 Shenton Way, Singapore 068807.	Not Applicable	Subsidiary	-	2(87)
28	Cignex Datamatics UK Limited 1 Doughty Street, London, United Kingdom WC1N2PH	Not Applicable	Subsidiary	-	2(87)
29	Duo Design LLC 641 West Lake Street, Suite 301, Chicago IL 60601	Not Applicable	Subsidiary	-	2(87)
30	Elevondata Labs Holdings Inc. 106 Custer Avenue, Williston Park, NY 11596	Not Applicable	Subsidiary	-	2(87)



## IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2015)				No. of Shares held at the end of the year (As on March 31, 2016)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1) Indian									
a) Individual/HUF	11,070,106	0	11,070,106	18.779	11,070,106	0	11,070,106	18.779	0.000
b) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
c) State Govt (s)	0	0	0	0.000	0	0	0	0.000	0.000
d) Bodies Corp.	31,813,742	0	31,813,742	53.968	31,813,742	0	31,813,742	53.968	0.000
e) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
f) Any Other	0	0	0	0.000	0	0	0	0.000	0.000
Sub-total (A)(1)	42,883,848	0	42,883,848	72.747	42,883,848	0	42,883,848	72.747	0.000
2) Foreign									
a) NRIs- Individual	0	0	0	0.000	0	0	0	0.000	0.000
b) Other Individuals	0	0	0	0.000	0	0	0	0.000	0.000
c) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
d) Banks / FI	0	0	0	0.000	0	0	0	0.000	0.000
e) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
F) Any Other	0	0	0	0.000	0	0	0	0.000	0.000
Sub-Total (A)(2)	0	0	0	0.000	0	0	0	0.000	0.000
Total Promoter Shareholding (A) = (A)(1)+(A)(2)	42,883,848	0	42,883,848	72.747	42,883,848	0	42,883,848	72.747	0.000
B. PUBLIC SHAREHOLDING									
1. Institutions									
(i) Mutual Funds	0	0	0	0.000	0	0	0	0.000	0.000
(ii) Banks / FI	17,320	0	17,320	0.029	3,200	0	3,200	0.005	-0.024
(iii) Central Govt	0	0	0	0.000	0	0	0	0.000	0.000
(iv) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
(v) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(vi) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
(vii) FIIs	0	0	0	0.000	0	0	0	0.000	0.000
(viii) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(ix) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0.000	0.000
(x) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
Sub-Total (B)(1)	17,320	0	17,320	0.029	3200	0	3200	0.005	-0.024
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	1,744,691	500	1,745,191	2.960	2,874,813	500	2,875,313	4.878	1.917
ii) Overseas	0	247,000	247,000	0.419	0	247,000	247,000	0.419	0.000
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4,922,057	162,472	5,084,529	8.625	6,043,091	151,056	6,194,147	10.508	1.882
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	8,784,657	0	8,784,657	14.902	6,523,210	0	6,523,210	11.066	-3.836
c) Others, specify	0	0	0	0.000	0	0	0	0.000	0.000
NRIs (Rep. & Non-Rep.)	186,592	200	186,792	0.317	222,419	200	222,619	0.378	0.06
Sub-Total (B)(2)	15,637,997	410,172	16,048,169	27.224	15,663,533	398,756	16,062,289	27.248	0.024
Total Public Shareholding (B) = (B)(1) + (B)(2)	15,655,317	410,172	16,065,489	27.253	15,666,733	398,756	16,065,489	27.253	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.000
Grand Total (A+B+C)	58,539,165	410,172	58,949,337	100.000	58,550,581	398,756	58,949,337	100.000	0.000

**ii) Shareholding of Promoters**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2015)			Shareholding at the end of the year (As on March 31, 2016)			% 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	Dr. Lalit S. Kanodia	3,530,995	5.99	0	3,230,995	5.48	0	-0.51
2	Mrs. Asha L. Kanodia	3,605,258	6.12	0	3,305,258	5.61	0	-0.51
3	Mr. Rahul L. Kanodia	209	0.0004	0	209	0.0004	0	0.00
4	Mr. Sameer L. Kanodia	1,472,858	2.50	0	1,472,858	2.50	0	0.00
5	Mrs. Aneesha Aditya Dalmia	1,789,143	3.04	0	1,789,143	3.04	0	0.00
6	Mrs. Amrita Vidur Bhogilal	589,143	1.00	0	1,189,143	2.02	0	1.02
7	Mr. Yogendra S. Kanodia	6,500	0.01	0	6,500	0.01	0	0.00
8	Yogendra Kanodia HUF	1,700	0.003	0	1,700	0.003	0	0.00
9	Smt. Chandravati S. Kanodia	36	0.0001	0	36	0.0001	0	0.00
10	Dr. Lalit S. Kanodia HUF	74,264	0.13	0	74,264	0.13	0	0.00
11	Delta Infosolutions Pvt. Ltd.	31,813,742	53.97	0	31,813,742	53.97	0	0.00
	<b>Total</b>	<b>42,883,848</b>	<b>72.75</b>	<b>0</b>	<b>42,883,848</b>	<b>72.75</b>	<b>0</b>	<b>0.00</b>

**iii) Change in Promoters' Shareholding**

Sr. No.	Name of Promoters	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Dr. Lalit S. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	3,530,995	5.99	3,530,995	5.99
	Decrease in shareholding: Sale of shares by way of gift on August 19, 2015.	(300,000)	(0.51)		
	At the end of the year i.e. March 31, 2016.			3,230,995	5.48
<b>2</b>	<b>Mrs. Asha L. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	3,605,258	6.12	3,605,258	6.12
	Decrease in shareholding: Sale of shares by way of gift on August 19, 2015.	(300,000)	(0.51)		
	At the end of the year i.e. March 31, 2016.			3,305,258	5.61
<b>3</b>	<b>Mr. Rahul L. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	209	0.0004	209	0.0004
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2016.			209	0.0004
<b>4</b>	<b>Mr. Sameer L. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	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 i.e. March 31, 2016.			1,472,858	2.50

Sr. No.	Name of Promoters	Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>5</b>	<b>Mrs. Aneesha Aditya Dalmia</b>				
	At the beginning of the year i.e. April 1, 2015.	1,789,143	3.04	1,789,143	3.04
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2016.			1,789,143	3.04
<b>6</b>	<b>Mrs. Amrita Vidur Bhogilal</b>				
	At the beginning of the year i.e. April 1, 2015.	589,143	1.00	589,143	1.00
	Increase in shareholding: Purchase of shares by way of gift on August 19, 2015.	600,000	1.02		
	At the end of the year i.e. March 31, 2016.			1,189,143	2.02
<b>7</b>	<b>Mr. Yogendra S. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	6,500	0.01	6,500	0.01
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2016.			6,500	0.01
<b>8</b>	<b>Yogendra Kanodia HUF</b>				
	At the beginning of the year i.e. April 1, 2015.	1,700	0.003	1,700	0.003
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2016.			1,700	0.003
<b>9</b>	<b>Smt. Chandravati S. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	36	0.0001	36	0.0001
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2016.			36	0.0001
<b>10</b>	<b>Dr. Lalit S. Kanodia HUF</b>				
	At the beginning of the year i.e. April 1, 2015.	74,264	0.13	74,264	0.13
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2016.			74,264	0.13
<b>11</b>	<b>Delta Infosolutions Pvt. Ltd.</b>				
	At the beginning of the year i.e. April 1, 2015.	3,18,13,742	53.97	3,18,13,742	53.97
	Increase/decrease in Shareholding	No change during the year		No change during the year	
	At the end of the year i.e. March 31, 2016.			3,18,13,742	53.97

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

Sr. No.	Name of Shareholder	Date	Shareholding		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Mr. Vidur V. Bhogilal</b>					
	At the beginning of the year	1-Apr-15	1,769,821	3.00	<b>1,769,821</b>	<b>3.00</b>
	Decrease	4-Dec-15	(36,993)	(0.06)	<b>1,732,828</b>	<b>2.93</b>
	Decrease	18-Dec-15	(10,000)	(0.01)	<b>1,722,828</b>	<b>2.92</b>
	Decrease	25-Dec-15	(54,014)	(0.09)	<b>1,668,814</b>	<b>2.83</b>
	Decrease	31-Dec-15	(44,290)	(0.07)	<b>1,624,524</b>	<b>2.76</b>
	Decrease	8-Jan-16	(106,693)	(0.18)	<b>1,517,831</b>	<b>2.57</b>
	At the end of the year	31-Mar-16			<b>1,517,831</b>	<b>2.57</b>
<b>2</b>	<b>Mr. Shaunak Jagdish Shah</b>					
	At the beginning of the year	1-Apr-15	999,149	1.69	<b>999,149</b>	<b>1.69</b>
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-16			<b>999,149</b>	<b>1.69</b>
<b>3</b>	<b>Rajasthan Global Securities Private Limited</b>					
	At the beginning of the year	1-Apr-15	22,519	0.03	<b>22,519</b>	<b>0.04</b>
	Decrease	10-Jul-15	(11,297)	(0.01)	<b>11,222</b>	<b>0.02</b>
	Increase	4-Sep-15	7,535	0.01	<b>18,757</b>	<b>0.03</b>
	Decrease	30-Oct-15	(5,547)	(0.01)	<b>13,210</b>	<b>0.02</b>
	Increase	20-Nov-15	55,550	0.09	<b>68,760</b>	<b>0.12</b>
	Increase	27-Nov-15	2,800	0.01	<b>71,560</b>	<b>0.12</b>
	Increase	4-Dec-15	1,427,018	2.42	<b>1,498,578</b>	<b>2.54</b>
	Decrease	11-Dec-15	(181,032)	(0.30)	<b>1,317,546</b>	<b>2.23</b>
	Decrease	31-Dec-15	(11,781)	(0.02)	<b>1,305,765</b>	<b>2.21</b>
	Decrease	8-Jan-16	(200,844)	(0.34)	<b>1,104,921</b>	<b>1.87</b>
	Decrease	15-Jan-16	(316,405)	(0.53)	<b>788,516</b>	<b>1.33</b>
	Decrease	22-Jan-16	(16,170)	(0.03)	<b>772,346</b>	<b>1.31</b>
	Decrease	11-Mar-16	(2,139)	(0.00)	<b>770,207</b>	<b>1.30</b>
	Decrease	18-Mar-16	(18,164)	(0.03)	<b>752,043</b>	<b>1.27</b>
	At the end of the year	31-Mar-16			<b>752,043</b>	<b>1.27</b>
<b>4</b>	<b>Mr. Jagdish Amritlal Shah</b>					
	At the beginning of the year	1-Apr-15	748,395	1.27	<b>748,395</b>	<b>1.27</b>
	Increase/ decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-16			<b>748,395</b>	<b>1.27</b>
<b>5</b>	<b>Jamson Securities Pvt Ltd</b>					
	At the beginning of the year	1-Apr-15	580,660	0.98	<b>580,660</b>	<b>0.98</b>
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-16			<b>580,660</b>	<b>0.98</b>
<b>6</b>	<b>Ms. Geeta Loyalka</b>					
	At the beginning of the year	1-Apr-15	5,000	0.01	<b>5,000</b>	<b>0.01</b>
	Increase	31-Dec-15	500,000	0.85	<b>505,000</b>	<b>0.85</b>
	At the end of the year	31-Mar-16			<b>505,000</b>	<b>0.85</b>



Sr. No.	Name of Shareholder	Date	Shareholding		Cumulative Shareholding during the year (01.04.2015 to 31.03.2016)	
			No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>7</b>	<b>Mr. Gangaprasad M Loyalka</b>					
	At the beginning of the year	1-Apr-15	5,000	0.01	<b>5,000</b>	<b>0.01</b>
	Increase	31-Dec-15	500,000	0.85	<b>505,000</b>	<b>0.86</b>
	At the end of the year	31-Mar-16			<b>505,000</b>	<b>0.86</b>
<b>8</b>	<b>Ms. Jagruti Shaunak Shah</b>					
	At the beginning of the year	1-Apr-15	488,098	0.83	<b>488,098</b>	<b>0.83</b>
	Increase/decrease in Shareholding		No change during the year		<b>No change during the year</b>	
	At the end of the year	31-Mar-16			<b>488,098</b>	<b>0.83</b>
<b>9</b>	<b>Ms. Shubhlakshmi Dani</b>					
	At the beginning of the year	1-Apr-15	5,000	0.01	<b>5,000</b>	<b>0.01</b>
	Increase	31-Dec-15	473,735	0.80	<b>478,735</b>	<b>0.81</b>
	At the end of the Year	31-Mar-16			<b>478,735</b>	<b>0.81</b>
<b>10</b>	<b>Infologix BVI Limited</b>					
	At the beginning of the year	1-Apr-15	247,000	0.42	<b>247,000</b>	<b>0.50</b>
	Increase	31-Dec-15	No change during the year		<b>No change during the year</b>	
	At the end of the Year	31-Mar-16			<b>247,000</b>	<b>0.50</b>

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

Sr. No.		Shareholding at the beginning of the year i.e. As on April 01, 2015		Cumulative Shareholding during the year (01.04.2015 to 31.03. 2016)	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
<b>1</b>	<b>Dr. Lalit S. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	3,530,995	5.99	<b>3,530,995</b>	<b>5.99</b>
	Decrease in shareholding: Sale of shares by way of gift on August 19, 2015.	(300,000)	(0.51)		
	At the end of the year i.e. March 31, 2016.			<b>3,230,995</b>	<b>5.48</b>
<b>2</b>	<b>Mr. Rahul L. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	209	0.0004	<b>209</b>	<b>0.0004</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>209</b>	<b>0.0004</b>
<b>3</b>	<b>Mr. Sameer L. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	1,472,778	2.50	<b>1,472,778</b>	<b>2.50</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>1,472,778</b>	<b>2.50</b>
<b>4</b>	<b>Mrs. Asha L. Kanodia</b>				
	At the beginning of the year i.e. April 1, 2015.	3,605,258	6.12	<b>3,605,258</b>	<b>6.12</b>
	Decrease in shareholding: Sale of shares by way of gift on August 19, 2015.	(300,000)	(0.51)		
	At the end of the year i.e. March 31, 2016.			<b>3,305,258</b>	<b>5.61</b>
<b>5</b>	<b>Mr. R. K. Saraswat</b>				
	At the beginning of the year i.e. April 1, 2015.	1,000	0.002	<b>1,000</b>	<b>0.002</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>1000</b>	<b>0.002</b>
<b>6</b>	<b>Mr. Sudhir C. Deshpande</b>				
	At the beginning of the year i.e. April 1, 2015.	0	0.00	<b>0</b>	<b>0.00</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>0</b>	<b>0.00</b>
<b>7</b>	<b>Mr. Shahzaad S. Dalal</b>				
	At the beginning of the year i.e. April 1, 2015.	2,000	0.00	<b>2,000</b>	<b>0.003</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>2,000</b>	<b>0.003</b>
<b>8</b>	<b>Mr. Dilip D. Dandekar</b>				
	At the beginning of the year i.e. April 1, 2015.	0	0.00	<b>0</b>	<b>0.00</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>0</b>	<b>0.00</b>
<b>9</b>	<b>Mr. Vinay M. Aggarwal</b>				
	At the beginning of the year i.e. April 1, 2015.	0	0.00	<b>0</b>	<b>0.00</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>0</b>	<b>0.00</b>
<b>10</b>	<b>Ms. Divya Kumat</b>				
	At the beginning of the year i.e. April 1, 2015.	100	0.0002	<b>100</b>	<b>0.0002</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>100</b>	<b>0.0002</b>
<b>11</b>	<b>Mr. Siddharth Saboo</b>				
	At the beginning of the year i.e. April 1, 2015.	0	0.00	<b>0</b>	<b>0.00</b>
	Increase/decrease in Shareholding	No change during the year		<b>No change during the year</b>	
	At the end of the year i.e. March 31, 2016.			<b>0</b>	<b>0.00</b>

## V. INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(₹ in Million)

	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. As on April 1, 2015				
i) Principal Amount	670.59	-	-	670.59
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.33	-	-	3.33
<b>Total (i+ii+iii)</b>	<b>673.92</b>	<b>-</b>	<b>-</b>	<b>673.92</b>
Change in Indebtedness during the financial year				
Addition	-	101.10		101.10
Reduction (Repayment)	175.01			175.01
Net Change	175.01	101.10	-	73.91
Indebtedness at the end of the financial year i.e. March 31, 2016				
i) Principal Amount	496.37	100.00	-	596.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.54	1.10	-	3.64
<b>Total (i+ii+iii)</b>	<b>498.91</b>	<b>101.10</b>	<b>-</b>	<b>600.01</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Name of MD/WTDs/Manager				Total Amount
		Dr. Lalit S. Kanodia, Chairman & Whole Time Director	Mr. Rahul L. Kanodia, Vice Chairman & CEO	Mr. Vidur V. Bhogilal, Former Executive Director & CFO	Mr. Sameer L. Kanodia, Executive Director	
1	Gross salary					
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	4.81	7.40	2.11	6.33	20.65
b)	Value of perquisites under section 17(2) Income-tax Act, 1961	1.71	1.45	0.96	0.82	4.95
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity					0
4	Commission	3.00	3.00	0	0	6.00
	As % of profit					
5	Others, specify					
	<b>Total (A)</b>	<b>9.52</b>	<b>11.85</b>	<b>3.08</b>	<b>7.15</b>	<b>31.60</b>
	Ceiling as per the Act (10% of Profits calculated under Section 198 of the Companies Act, 2013)	<b>45.72</b>				

**B. Remuneration to other directors:**

(₹ in Million)

Sr. No.	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Others, please specify	Total Amount
<b>1</b>	<b>Independent Directors</b>				
	Mr. R. K. Saraswat	0.22	0.20		0.42
	Mr. Sudhir C. Deshpande	0.22	0.20		0.42
	Mr. Shahzaad S. Dalal	0.06	0.10		0.16
	Mr. Dilip D. Dandekar	0.13	0.20		0.33
	Mr. Vinay M. Aggarwal	0.15	0.20		0.35
	<b>Total (1)</b>	<b>0.78</b>	<b>0.90</b>		<b>1.08</b>
<b>2</b>	<b>Other Non-Executive Directors</b>				
	Mrs. Asha L. Kanodia	0.18	0.20		0.38
	<b>Total (2)</b>	<b>0.18</b>	<b>0.20</b>		<b>0.38</b>
	<b>Total (B)=(1+2)</b>	<b>0.95</b>	<b>1.10</b>		<b>2.05</b>
	<b>Total Managerial Remuneration</b>	<b>0.95</b>	<b>1.10</b>		<b>2.05</b>
	Ceiling as per the Act (1% of Profits calculated under Section 198 of the Companies Act, 2013)	<b>4.57</b>			

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

(₹ in Million)

Sr. No.	Particulars of Remuneration	Ms. Divya Kumat, Company Secretary (KMP)	Mr. Siddharth Saboo, Chief Financial Officer (KMP)*	Total
1	Gross salary			
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	5.36	1.42	6.78
b)	Value of perquisites under section 17(2) Income-tax Act, 1961.	0.66	0.24	0.90
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	0.19	0.053	0.24
	<b>Total</b>	<b>6.21</b>	<b>1.71</b>	<b>7.92</b>

\*Mr. Siddharth Saboo was appointed w.e.f. from November 16, 2015.



## 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, 2016.				
Punishment					
Compounding					
B. DIRECTORS					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2016.				
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2016.				
Punishment					
Compounding					

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Datamatics' policy on Corporate Governance is aimed at ensuring highest standards of transparency and accountability as well as equal treatment to all shareholders. Good Corporate Governance practices has a bearing on growth and stability of a Company resulting in improved trust of general public in the Company thereby enhancing brand image of Datamatics. Board of Datamatics is responsible for establishing and executing Corporate Governance practices. It is all about balancing individual and society goals, as well as, economic and social goals. At Datamatics, Corporate Governance practices are effectively implemented and enforced through self-regulation as well as by adopting ethical code of conduct of business. It is a reflection of the way, Datamatics is governed.

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has executed fresh Listing Agreements with the Stock Exchanges.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the SEBI Listing Regulations' (Clause 49 of the erstwhile Listing Agreement executed with the Stock Exchanges).

## BOARD OF DIRECTORS

### SIZE AND COMPOSITION OF THE BOARD

The Board of Directors, along with its Committees, provides leadership and guidance to the management and directs and supervises the performance of the Company, thereby enhancing stakeholder value. The Board has a fiduciary relationship in ensuring that the rights of all stakeholders are protected.

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

The names and category of Directors on Board of the Company and other Directors(s)/Committee Membership(s)/Chairmanship(s) held by them in other Companies as on March 31, 2016 is summarized as under:

Name	Category	Directorship(s)/Committee Membership(s)/Chairmanship(s)		
		Directorship(s) <sup>[1]</sup>	Committee <sup>[2]</sup> Membership(s)	Chairman-ship(s)
EXECUTIVE DIRECTORS				
Dr. Lalit S. Kanodia Chairman & Whole time Director	Promoter Non-Independent	7	-	-
Mr. Rahul L. Kanodia Vice Chairman & CEO	Promoter Group Non-Independent	3	-	-
Mr. Vidur V. Bhogilal (See note 3) Executive Director & CFO	Non-Independent	4	-	1
Mr. Sameer L. Kanodia Executive Director	Promoter Group Non-Independent	2	-	-
NON-EXECUTIVE DIRECTORS				
Mrs. Asha L. Kanodia	Promoter Non-Independent	-	-	-
Mr. R. K. Saraswat	Independent	5	-	3
Mr. Shahzaad S. Dalal	Independent	4	1	-
Mr. Sudhir C. Deshpande	Independent	1	2	-
Mr. Dilip D. Dandekar	Independent	8	1	-
Mr. Vinay M. Aggarwal (See note 4)	Independent	-	-	-

### Notes:

- Directorship excludes Directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Companies Act, 2013 and Datamatics Global Services Limited.
- This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies.
- Mr. Vidur V. Bhogilal, Executive Director has resigned w.e.f. September 22, 2015.
- Mr. Vinay M. Aggarwal, Non-Executive Independent Director was appointed w.e.f. May 27, 2015.

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

Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations, read with Section 149(6) of the Act. The maximum tenure of Independent Directors is in compliance with the Act.

### Board Meeting and Procedures

The Board meets atleast once in a quarter to review financial results and operations of the Company. The Notice along with agenda of the Board Meeting and comprehensive notes is given well in advance to all the Directors to ensure their meaningful participation. In case of special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by the Companies Act, 2013, 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 is free to recommend inclusion of items in the agenda. All statutory and other matters of significant importance including information as mentioned in Schedule II Part A to the SEBI Listing Regulations, are tabled before the Board for their discussions and consideration. The compliance reports of applicable laws, rules and regulations and the minutes of the meetings of the Committees of the Board are placed before the Board.

During the year, the Board members were, in accordance with the provisions of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, provided with an option to participate at Board Meetings through audio-video means except in respect of those meetings wherein transactions are not permitted to be carried out by way of audio-video means. Other executives and divisional heads are generally invited at the meetings on an as needed basis.

The proceedings of the Meetings of the Board of Directors are noted and the draft Minutes are circulated amongst the members of the Board for their perusal within 15 days. Comments, if any, received from the Directors are incorporated in the Minutes, in consultation with the Chairman. The Minutes are approved by the members of the Board at the next Meeting.

During the financial year 2015-16, 8 (Eight) Board Meetings were held viz. on May 15, 2015; May 27, 2015; August 14, 2015; August 28, 2015; October 26, 2015; November 13, 2015; February 11, 2016 and March 21, 2016. With reference to 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 2015-16 and the last Annual General Meeting is detailed as under:

Name of the Directors	Board Meetings		Attendance at the last Annual General Meeting held on August 28, 2015
	Held	Attended	
Dr. Lalit S. Kanodia	8	7	Yes
Mr. Rahul L. Kanodia	8	7	Yes
Mr. Sameer L. Kanodia	8	7	Yes
Mr. Vidur V. Bhogilal*	4	3	No
Mr. R. K. Saraswat	8	8	Yes
Mr. Shahzaad S. Dalal	8	2	No
Mr. Sudhir C. Deshpande	8	8	Yes
Mr. Dilip D. Dandekar	8	5	Yes
Mrs. Asha L. Kanodia	8	7	Yes
Mr. Vinay M. Aggarwal <sup>#</sup>	6	6	Yes

\* Mr. Vidur V. Bhogilal, Executive Director has resigned w.e.f. September 22, 2015.

<sup>#</sup> Mr. Vinay M. Aggarwal, Non-Executive Independent Director was appointed w.e.f May 27, 2015.

### Disclosure of relationships between Directors inter se:

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

### Details of shares and convertible instruments held by Non-Executive Directors:

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

### Familiarization Program for Independent Directors:

All the Independent Directors inducted on the Board are given an orientation program about Company's business model, group structure, organization structure and such other areas. These programs also intends to improve awareness of the Independent Directors on their roles, rights, responsibilities towards the Company to enable them to make effective contribution and discharge their functions effectively, as a Board Member. The details on the Company's methodology of the Familiarization Program for IDs can be accessed at: <http://www.datamatics.com/sites/default/files/Familiarisation-Program-for-Independent-Directors.pdf>.

## COMMITTEES OF THE BOARD:

Currently the Board has the following four committees:

1. Audit Committee;
2. Nomination and Remuneration Committee;
3. Stakeholder 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 Companies Act, 2013 and 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 SEBI Listing Regulations, including but not limited to overseeing financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of auditors and internal auditors, scrutiny of intercorporate loans and investments, evaluation of internal financial controls and risk management systems.

#### 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;
  - Ensuring compliance with the Accounting Standards;
  - Compliance with the laws, rules, regulations and notification issued by the Stock Exchanges and other regulatory authorities relating to the preparation and disclosure of financial statements;
  - Significant issues arising out of audit;
  - The going concern assumption;
  - Major accounting entries based upon exercise of judgment by the management;
  - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that

may have potential conflict with the interest of the Company at large;

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Section 314(3) of the Companies Act, 2013;
- iv. Review with the management, auditors on the adequacy of internal control systems;
  - v. Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
  - vi. Review of the Company's financial and risk management policies;
  - vii. Examine reasons for default in payment of interest and repayment of principal amounts to depositors and debenture holders, payment of dividend, payments to creditors and payment of all statutory dues in the prescribed time period;
  - viii. Investigating the reasons for substantial defaults, if any, in the payment to the depositors, shareholders (in case of non-payment of declared dividends) and creditors;
  - ix. Review and monitor auditor's independence and performance and effectiveness of the audit process;
  - x. Scrutiny of inter corporate loans and investments;
  - xi. Valuation of undertaking and assets;
  - xii. Monitoring of end use of funds of the public offers;
  - xiii. Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the board;
  - xiv. Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the CEO/Chairman of the Audit Committee in appropriate or exceptional cases;
  - xv. Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the Company;
  - xvi. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;



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

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

The Audit Committee comprises of 3 (Three) Non-Executive Independent Directors as members viz. Mr. R. K. Saraswat Chairman, Mr. Shahzaad S. Dalal and Mr. Sudhir C. Deshpande. All members are well versed with finance, accounts, corporate laws, and general business practices. The Company Secretary of the Company acts as the Secretary of the Committee.

The meetings of Audit Committee are also attended by the Chief Executive Officer, Chief Financial Officer, Partner of Statutory Auditors and representatives of the Internal Auditors as special invitees. Minutes of the Committee meetings are circulated to the Members and placed before the Board meetings for noting.

#### Meetings and Attendance during the year:

During the year under review, the Committee met 4 (Four) times on May 27, 2015; August 14, 2015; November 13, 2015 and February 11, 2016 and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended the last 27<sup>th</sup> AGM held on August 28, 2015.

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

Name of the Members	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	4	4
Mr. Shahzaad S. Dalal	Independent	Member	4	2
Mr. Sudhir C. Deshpande	Independent	Member	4	4

#### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee is constituted in line with the provisions of Section 178 the Companies Act, 2013 and Regulation 19 of SEBI Listing Regulations. The role of the Nomination and Remuneration Committee is as specified in Part D of Schedule II of the SEBI Listing Regulations.

#### Description of Terms of Reference:

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

- Determines, reviews and recommends remuneration payable to Executive Directors/Whole Time Director in addition to reviewing overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, consider granting of stock options to employees, reviewing compensation levels of the

Company's employees vis-à-vis other companies and industry in general;

- All matters relating to the compensation (including annual increments, incentives and revision in salary) payable by the Company to the Senior Executives in the Company's grade M12 and above as also the remuneration payable to the Directors;
- Appointment and transfers of employees in the Company's grade M12 and above shall require approval of the Committee;
- Administration of ESOP schemes of Company and issue/ transfer of shares under the ESOP schemes;
- To lay down criteria such as qualifications, positive attributes and independence for appointment of persons as Directors or in the Senior Management (one level below the Board);
- To recommend to the Board such appointment and removal of the Directors including Independent Directors;
- To carry out evaluation of every Directors performance;
- 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:
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

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

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

The Nomination & Remuneration Committee as on March 31, 2016 comprises of Mr. Sudhir C. Deshpande Chairman, Dr. Lalit S. Kanodia, Mr. Shahzaad S. Dalal and Mr. R. K. Saraswat. The Company Secretary of the Company acts as the Secretary of the Committee.

### Meetings and Attendance during the year:

During the year under review, the Committee met 2 (Two) times on May 27, 2015 and February 11, 2016.

The details of committee meeting held and attend by its members are given below:

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

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

### Performance Evaluation criteria for Independent Directors:

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

### STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the 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:

- Meets regularly to consider requests of share transfer / transmission / split / consolidation / duplicate share certificates etc;

- Oversees performance of the Registrars and Transfer Agents of the Company and looks into matters which can facilitate better investor services and relations;
- Consider and resolve the grievances of the security holders including the shareholders, debenture-holders, deposit holders etc. of the Company;
- To monitor redressal of stakeholders' complaints/ grievances including relating to non-receipt of allotment/ refund, transfer of shares, non-receipt of balance sheet, non-receipt of declared dividends etc.

### Composition, Name of Members and Chairman:

The Stakeholders Relationship Committee comprises of 2 (Two) Non-Executive Independent Directors viz. Mr. R. K. Saraswat Chairman and Mr. Sudhir C. Deshpande. The Company Secretary of the Company acts as the Secretary of the Committee.

### Meetings and Attendance during the year:

During the year under review, the Committee met 4 (Four) times on May 27, 2015; August 28, 2015; November 13, 2015 and February 11, 2016.

The details of committee meeting held and attend by its members are given below:

Name of the Members	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	4	4
Mr. Sudhir C. Deshpande	Independent	Member	4	4

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

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

### The details of shareholder grievances received and resolved during FY 2015-16 is given below:

Sr. No.	Nature of Complaints	Received	Resolved
1.	Non-receipt of Dividend	15	15
2.	Non-receipt of Annual Reports/Notices	01	01
3.	Non-receipt of Share Certificates	04	04
3.	Complaints from SEBI, Stock Exchanges	00	00
4.	Others	08	08
	<b>Total</b>	<b>28</b>	<b>28</b>

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Corporate Social Responsibility [CSR] Committee of Directors is constituted in accordance with the provisions of Section 135 of the Companies Act, 2013 and the Rules framed thereunder. The Committee's responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'Corporate Social Responsibility Policy'.

#### Description of Terms of Reference:

The terms of reference of the Corporate Social Responsibility Committee are as under:

- Formulate and recommend to the Board, a CSR Policy indicating activities to be undertaken by the Company in compliance with provisions of the Companies Act, 2013 and Rules made thereunder;
- Recommend the amount of expenditure to be incurred on CSR activities;
- Monitor the implementation of the CSR Policy of the Company from time to time;
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects / programmes / activities proposed to be undertaken by the Company.

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

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

### Meetings and Attendance during the year:

During the year under review, 1 (One) meeting was held on May 27, 2015.

The details of committee meeting held and attend by its members are given below:

Name of the Members	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
Mr. Vidur V. Bhogilal*	Non – Independent	Member	1	1

\* Mr. Vidur V. Bhogilal, Executive Director has resigned w.e.f. September 22, 2015

### REMUNERATION OF DIRECTORS:

#### A. Remuneration Policy:

In terms of Section 178 of the Companies Act, 2013, the Remuneration Policy has been formulated by the Nomination & Remuneration Committee of the Company and approved by the Board of Directors. The Policy ensures that:

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

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

None of the Executive Directors has any pecuniary relationship or transactions vis-à-vis the listed entity except the following:

- Mrs. Asha L. Kanodia who falls in the category of Promoter is holding 33,05,258 shares in the Company.

2. Mr. Shahzaad S. Dalal, Independent Director is holding 2,000 shares in the Company.
3. Mr. R. K. Saraswat, Independent Director is holding 1,000 shares in the Company

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

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

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

The Whole-time Directors are paid remuneration by way of salary, commission, perquisites, incentives and allowances, as recommended by the Nomination & Remuneration Committee and approved by the Board of Directors and the Members of the Company from time to time. Non-Executive Independent Directors are entitled for sitting fees for attending meetings of the Board of Directors and it's Committees upto the limit prescribed under the Companies Act 2013. 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 details of remuneration paid to the Executive Directors during the financial year 2015-16 is given in Form MGT-9 which is annexed to the Directors' report:

1. Details of fixed component and performance linked incentives along with performance criteria:
  - a. The remuneration to the Executive Directors is determined by NRC and the same is recommended to the Board for their approval. The said remuneration is subject to approval of the shareholders and Central Government, if required. The details of the said remuneration is given in Form MGT -9 which is annexed to the Directors' Report.
  - b. Performance linked incentives is granted to Mr. Sameer L. Kanodia. The assessment

of performance is done by Nomination & Remuneration Committee on the basis of desired results of the projects handled by Mr. Sameer L. Kanodia vis-a-vis overall performance of the Company.

- c. Annual increment of the directors is determined on the basis of the recommendations of Nomination & Remuneration Committee which is within the overall limit for remuneration as approved by the shareholders.

**2. Terms of Appointment of Executive Directors:**

- a. Appointment of the Executive Directors is done for a maximum period of five years as per provisions of the Companies Act, 2013.
- b. Resignation from the position of Executive Directorship is addressed to the Board of Directors.
3. All element of remuneration package summarized under major groups such as salary, benefits, bonuses, stock options, pensions etc. are given in Form MGT-9 which is annexed to the Director's Report.

## INDEPENDENT DIRECTORS MEETING:

Pursuant to the provisions of Schedule IV to the Companies Act, 2013 and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on February 11, 2016, without the presence of Non-Independent Directors and Members of Management to inter alia, consider 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 management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors viz., Mr. R. K. Saraswat, Mr. Shahzaad S. Dalal, Mr. Sudhir C. Deshpande, Mr. Dilip D. Dandekar and Mr. Vinay M. Aggarwal, were present in the Meeting and the Meeting was chaired by Mr. R. K. Saraswat.

## GENERAL BODY MEETINGS:

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

Year	Date of Meeting	Time	Place of Meeting	Details of Special Resolution(s) passed
2012-13	September 24, 2013	3.30 p.m.	Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020.	Amendment in the existing ESOP Schemes in accordance with SEBI (ESOS & ESPS) Guidelines and SEBI circulars.
2013-14	September 23, 2014	11.30 a.m.		i. Payment of Commission to Non- Executive Directors of the Company.
				ii. Alteration of Articles of Association of the Company.
2014-15	August 28, 2015	11.00 a.m.		Re-appointment of Dr. Lalit S. Kanodia as Chairman and Whole-Time Director of the Company.

### B. Extraordinary General Meeting:

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

### C. Postal Ballot:

During the year under review, no resolution was passed through the postal ballot.

There is no immediate proposal for passing any resolution through Postal Ballot. None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

## MEANS OF COMMUNICATION:

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



## MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report for the financial year 2015-16 as per the requirement of the SEBI Listing Regulations, is given in a separate section forming part of the Annual Report.

## WEBSITE:

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

- a. Details of business;
- b. Terms and conditions of appointment of Independent Directors;
- c. Composition of various Committees of Board of Directors;
- d. Code of Conduct of Board of Directors and Senior Management Personnel;
- e. Details of establishment of Vigil Mechanism/ Whistle Blower policy;
- f. Criteria of making payments to Non-Executive Directors;
- g. Policy on dealing with Related Party transactions;
- h. Policy for determining 'Material' subsidiaries;
- i. Details of familiarization programmes imparted to Independent Directors;
- j. Contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances;
- k. Financial information;
- l. Shareholding pattern.

## GENERAL SHAREHOLDER INFORMATION

### a) 28<sup>th</sup> Annual General Meeting:

Day : Thursday  
 Date : September 15, 2016  
 Time : 11.00 A.M  
 Venue : Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020.

### b) Financial Year:

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

### c) Date of Book Closure:

The books will remain closed on September 08, 2015 for dividend purposes.

### d) Dividend Payment Date:

The Board of Directors of your Company have recommended final dividend of ₹ 0.25 per share for the financial year 2015-16. Date of payment of the dividend would be within 30 days from the date of AGM i.e. October 14, 2016.

### e) Listing on Stock Exchange:

The equity shares of the Company are listed at:

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

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

The listing fees and custodial fees for the financial year 2015-16 has been paid by your Company within the stipulated time.

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

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

## h) Market Price Data:

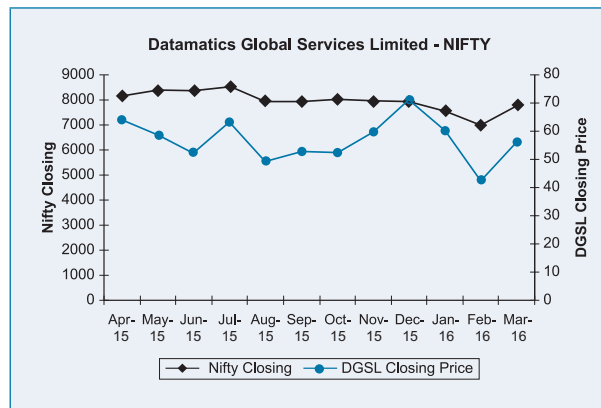
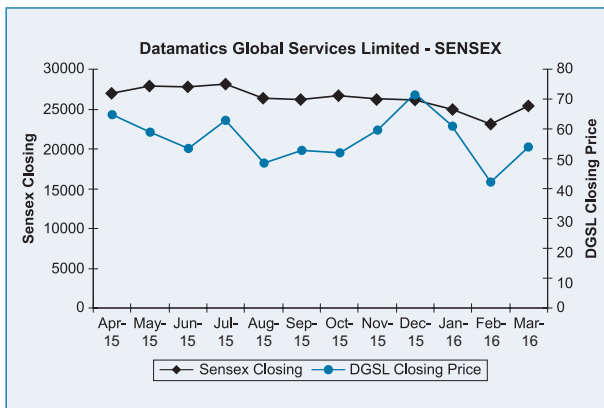
Details of high and low price and the number of shares traded during each month in the last financial year on BSE Limited and National Stock Exchange of India Limited, are as under:

(₹ per share)

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2015	77.20	62.30	77.40	63.00
May – 2015	71.40	56.15	71.90	55.65
June – 2015	58.75	50.20	60.00	50.45
July – 2015	72.00	52.95	75.00	52.80
August – 2015	66.00	41.40	64.00	40.10
September – 2015	53.50	44.00	53.95	43.50
October – 2015	67.00	50.95	67.05	51.05
November – 2015	60.40	50.20	61.65	50.00
December – 2015	73.90	57.00	73.60	57.00
January – 2016	77.75	50.00	77.85	51.25
February – 2016	61.85	41.15	61.90	40.70
March – 2016	57.20	43.85	57.60	43.00

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

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



## j) Registrar and Share Transfer Agent:

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  
E-mail: depository@dfssl.com

## k) Share Transfer System:

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

**I) Shareholding as on March 31, 2016:**
**Distribution of equity shareholding as on March 31, 2016:**

Sr. No.	Shareholding No. of Shares		Shares	% To Capital	No. of Holders	% to No. of Holders
	From	To				
1	1	1000	2,923,297	4.96	15,284	92.54
2	1001	2000	888,440	1.51	572	3.46
3	2001	4000	880,070	1.49	301	1.82
4	4001	6000	661,133	1.12	130	0.79
5	6001	8000	418,723	0.71	60	0.36
6	8001	10000	422,866	0.72	45	0.27
7	10001	20000	867,631	1.47	63	0.38
8	20001	999999999	51,887,177	88.02	61	0.37
<b>TOTAL</b>			<b>58,949,337</b>	<b>100.00</b>	<b>16,516</b>	<b>58,949,337</b>

**Categories of equity shareholders as on March 31, 2016:**

Category	No. of shares	% of Shareholding
Promoters & Promoter Group	42,883,848	72.75
Banks and Financial Institution	3200	0.01
Individuals	12,717,357	21.57
NBFC registered with SEBI	212,100	0.36
NRI	222,619	0.37
Trust	65	0.00
Overseas Corporate Bodies	247,000	0.42
Bodies Corporate	2,622,401	4.45
Clearing Member	34,847	0.06
Unclaimed or Escrow Account	5,900	0.01
<b>Total</b>	<b>58,949,337</b>	<b>100.00</b>

**m) Unpaid/Unclaimed Dividend:**

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

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

Year of Declaration	Date of Declaration	Interim/ Final	Rate of Dividend	Date of Transfer to IEPF
2008-2009	September 15, 2009	Final	₹ 1.25 per share	October 14, 2016
2009-2010	August 12, 2010	Final	₹ 1.25 per share	September 11, 2017
2010-2011	September 15, 2011	Final	₹ 0.75 per share	October 14, 2018
2011-2012	September 26, 2012	Final	₹ 0.75 per share	October 25, 2019
2012-2013	September 24, 2013	Final	₹ 1 per share	October 23, 2020
2013-2014	September 23, 2014	Final	₹ 1.25 per share	October 22, 2021
2014-2015	September 23, 2014	Interim	₹ 0.35 per share	October 22, 2021
2014-2015	August 28, 2015	Final	₹ 0.65 per share	September 27, 2022
2015-2016	March 21, 2016	Interim	₹ 0.50 per share	April 20, 2023

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

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL]. The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN of the Company allotted to Company is INE365B01017. As on March 31, 2016, 58,550,551 Equity Shares out of 58,949,337 Equity Shares of the Company, constituting 99.32% of the Company's paid-up capital are held in the dematerialized form. Share dematerialized upto March 31, 2016 are as under.

Particulars	As on March 31, 2016	
	No. of Shares	%
<b>Shares in Demat form</b>	<b>58,550,581</b>	<b>99.32</b>
- NSDL	2,0289,761	34.42
- CDSL	38,260,820	64.90
<b>Shares in Physical Form</b>	<b>398,756</b>	<b>0.68</b>
<b>Total</b>	<b>58,949,337</b>	<b>100</b>

**o) ADRs/GDRs/Warrants:**

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

**p) Foreign exchange risk:**

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

## q) Plant Locations:

INDIA	
Knowledge Centre, Plot No. 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093. Board Line:- + 91 (22) 6102 0000/05 Fax:- +91 (22) 8343669	Unit No. 189-190, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096. Tel:- +91 (22) 6102 1172/1361/1362 Fax:- +91 (22) 8291368
Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096. Tel:- + 91 (22) 6102 0801/02 Fax:- +91 (22) 2892330	701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096. Tel:- +91(22) 6102 1401-02
Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096. Tel:-+ 91 (22) 6102 0920/0933 Fax:- +91 (22) 8290755	The Great Oasis, 5th Floor, Plot No,D-13, Road No, 21 MIDC, Andheri (E), Mumbai - 400 093. Tel:- +91 (22) 6128 8999
Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096. Tel:-+ 91 (22) 6102 0501/503 Fax:- +91 (22) 2829 1673	Unit No. 172-, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096. Tel:- +91 (22) 6102 1001
Unit No. 105, Multistoried Building, 1 <sup>st</sup> Floor, SEEPZ – SEZ, Andheri (E), Mumbai-400 096. Tel:- +91 (22) 6102 1515	Suyojit Datamatics Knowledge Center, Nashik Mumbai Agra Highway, Nashik - 422 009. Tel:- +91 (0253) 610 2222 Fax:- +91 (0253) 610 2271
RR Towers III, 3 <sup>rd</sup> Floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032. Tel:- +91 (44) 4229 7100	12 <sup>th</sup> & 13 <sup>th</sup> Floor, Phase II, Ascendas International Tech Park, Taramani Road, Chennai 600113. Tel:- +91 (44) 6604 6000/1/2
1/1000, Vinay Khand 1, Gomati Nagar, Behind Mini Stadium, Lucknow 226010.	Plot No 29-34, East Coast Road, (100 Feet Road), Saram Revenue Village, Oulgaret Municipality, Lawspet Post, Puducherry - 605008. Tel:- 413-6604 500/01
“RJ Grand” R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry - 8	Silver Soft Building, Floor No 1 & 2, Plot no 23 - 24 EPIP Phase I, KIADB Whitefield, Bengaluru – 560 066. Tel:- +91 (80) 6710 6400
Cessna Business Park, Embassy Singnet Building, IV Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Bangalore – 560103. Tel:- +91 (80) 6701 8101/04	Ground Floor, President Plaza Cross Roads, S.G Highway, Ahmedabad -380 054, Gujarat. Tel:- +91 (790 4020 7999 Fax: + 91 (79) 4020 7900
Office No 5, Second Floor, Tower-I, Stellar IT Park, C-25, Sector-62 Noida – 201301.	



## OVERSEAS

Suite #100, 200 & 400, 31572 Industrial Road, Livonia, MI – 48150. Tel: +1 (800) 717 9153 Fax: +1 (734) 525 4455	345, 7 <sup>th</sup> Avenue , Suit No. 401, New York – 10001 Tel.: + 1 (646) 4531000
1, Doughty Street, London, WC1N2PH.	Suite #220 & 240, 56 Middlesex Turnpike Burlington, MA – 01803. Tel: +1 (888) 772 5532 Fax: +1 (781) 425 5242
3 <sup>rd</sup> Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.	Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia
268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom Tel no.:+44 (0) 1753 7011683	MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.
4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	Gerhart-Hauptmann-Strasse 20, 64347 Griesheim
Ecos Office Centre, Room No. 29, Leuschnerpark, IM, Leuschnerpark 4, 64347, Griesheim	31572 Industrial RD, STE, 400 Livonia MI 48150.
641 West Lake Street, Suite 301, Chicago IL 60601	106 Custer Avenue, Williston Park, NY 11596
Suite #100, 510 Thornall Street, Edison, NJ – 08837. Tel: +1 (888) 772 5532 Fax: +1 (732) 635 0600	8, The Square, Stockley Park, Uxbridge, Middlesex, UB11 1FW, 1 Tel: +44 (208) 610 6105 Fax: +44 (208) 610 6870
3001 Dallas Parkway Suite 580, Frisco, TX 75034	Office 3201, Shatha Tower Dubai Media City, Dubai UAE PO Box: 5000 69 Tel : +971 4 431 0172 Fax: + 97144307618
468, Blackburn Road, Glen Waverly, Victoria 3150, Australia	4 Collins Avenue, Plymouth MA 02360 USA Tel.: +1 (508) 746 0300 Fax.: +1 (508) 746 3233
Warwitzstraße 9, 5020 Salzburg, Austria Tel: +43 (662) 90 333 2002 Fax: +43(662) 90 333 3002	1797 Seddon Court, Ashland, OH 44805, Tel: +1 (419) 289 0558
Svetozara Markovica 5/1, 78000 Banjaluka, RS, Bosnia & Herzegovina	2350, Mission College Boulevard, Suite 490, Santa Clara, CA 95054. Tel:+1 408 327 9900 Fax: +1 408 273 6785

**r) Address for Correspondence**

**Investors Correspondence/Compliance Officer**  
 Ms. Divya Kumart,  
 Senior Vice President - Legal & Company Secretary  
 Datamatics Global Services Limited  
 Knowledge Centre, Plot No. 58,  
 Street No. 17, MIDC, Andheri (East),  
 Mumbai – 400 093.  
 Tel: 91-22-6102 0000/1/2 | Fax: 91-22-2834 3669  
 E-mail: [investors@datamatics.com](mailto:investors@datamatics.com)

**Registrar and Transfer Agent**  
 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  
 E-mail: [depository@dfssl.com](mailto:depository@dfssl.com)

## DISCLOSURES

**A) Materially significant related party transactions**

During the financial year 2015-16, 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 Companies Act, 2013, erstwhile Listing Agreement and SEBI Listing Regulations, during the financial year were in the ordinary course of business, at arm's length basis and the same has been approved by the Audit Committee. The disclosure of transactions with related parties is disclosed in the Notes to accounts of the Standalone Financial Statements. The Board of Directors have approved a policy for related party transactions which has been uploaded on the Company's website: <http://www.datamatics.com/investors/corporate-governance>

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

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

**C) Whistleblower/Vigil Mechanism**

The Board of Directors have formulated a Whistleblower Policy/Vigil Mechanism in compliance with the provisions of Section 177 (10) of the Companies Act 2013, erstwhile Clause 49 of the Listing Agreement and Regulation 22 of the SEBI Listing Regulations, is also available on the Company's website: <http://www.datamatics.com/investors/corporate-governance>. The Company has also provided direct access to the Chairman of the Audit Committee on reporting issues concerning the interests of employees and the Company.

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

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

1. The Company has appointed separate persons to the post of Chairman and CEO.
2. The Internal Auditors of the Company, M/s. BDO India LLP report directly to the audit committee.

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

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

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

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

**G) CEO & CFO Certification:**

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

**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 is made in this section of Corporate Governance Report.

**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 annexed herewith.

Compliance certificate signed by Auditors regarding compliance of conditions of Corporate Governance is annexed herewith.

**DISCLOSURE WITH RESPECT TO UNCLAIMED SUSPENSE ACCOUNT:**

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

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

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



## DECLARATION BY THE CEO

I hereby declare that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Datamatics – Code of Conduct for the financial year ended March 31, 2016.

Mumbai, May 27, 2016

**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, 2016, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraph C, D and E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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 Listing Regulations.

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

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

Date : May 27, 2016  
Place : Mumbai

**Jyoti Kawa**  
Partner  
Membership No.:105654

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW OF THE INDUSTRY

India is the world's largest sourcing destination for the Information Technology (IT) industry, accounting for approximately 67 per cent of the US\$ 124-130 billion market. The industry employs about 10 million workforces. More importantly, the industry has led the economic transformation of the country and altered the perception of India in the global economy.<sup>1</sup>

Having shifted gears from its focus on '**Enterprise Services**' to '**Enterprise Solutions**' in 2015, Indian IT Industry is betting big on digitization and automation to maintain its growth momentum. The current fiscal year brought in overall optimism for the Indian Information Technology (IT) & IT-enabled Services (ITeS) industry. The industry continued to evolve over the year and prioritized on enhancing efficiency, enabling transformation and agility and partnering for digital initiatives.

The Indian IT & ITeS industry is divided into three segments; IT Services, Business Process Management (BPM), and Software Products and Engineering Services. IT and ITeS are the single largest contributor to India's Services exports. Exports to USA, the largest market, grew above industry average, aided by an economic revival and higher technology adoption. Demand from Europe remained strong during the first half of the year, but softened during the second half due to currency movements and economic challenges.

The new Government's focus on technology-enabled growth through the '**Digital India**', '**Skill India**', '**Make in India**' and '**Startup India**' campaigns has significantly boosted overall market prospects and investor sentiment. Recognizing the need for greater penetration of IT Services domestically, the Survey notes that the Government's '**Make in India**' mission include IT and BPM among the 25 focus sectors.

The year has also witnessed hyper-growth in the technology start-ups and product landscape and India is already ranked as the 4th largest start-up hub in the world with over 3100 startups in the country expected to rise to 11,500 tech startups by 2020.<sup>1</sup>

The Economic Survey 2015-16 says that the IT and ITeS sector continues to be one of the largest employers in the country, directly employing nearly 37 Lakh people with more than 34% women employees, over 170,000 Foreign Nationals and a greater share of employees from non-tier I Indian cities. The IT-ITeS sector grew at the rate of 0.4% to \$ 1.2 trillion

as compared to the Financial Year 2014-15. The amount of expenditure spent on IT-BPM sector was US\$2.3 trillion.

## OVERVIEW OF THE BUSINESS

Datamatics' **Data to intelligence** solutions and the services span across a section of industries including Banking & Finance, Healthcare Insurance, Manufacturing, Market Research, Publishing, Retail and International Organizations. The company is focused on delivering value through integrated solutions for data intensive business processes that help enterprises across the world overcome their business challenges. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge. Datamatics provides varied business processes that transcend F&A, Enterprise Document Management, Enterprise Content Management, Collaboration and Portals, BIDW & Analytics, Big Data, Application Development, Support & Testing, Engineering & Embedded solutions and Mobility. As a strategic partner, Datamatics helps its clients transform into a truly digital, data-driven enterprise and empowers them to take advantage of the digital revolution to innovate, differentiate and grow. Leveraging cutting-edge technology, Datamatics' solutions radically improve performance and reach of client enterprises; delivering accelerated time-to-market for new products and services, enhanced customer responsiveness, maximized productivity and efficiency in business processes and lower total cost of ownership.

Datamatics is a trusted partner to several Fortune 500 Companies globally for managing their end-to-end Application Life Cycle and Business Critical Processes.

The Company operates in the BPO and Software lines of businesses. The majority of Datamatics' revenue coming from the BPO- Finance & Accounting, Document Processing, Publishing, Research & Analytics, Software- IT Solutions and Engineering Service.

## OUTLOOK

The IT and business industries have shifted their practices from technical and mechanical race to gliding in the new age of Robotic Process Automation (RPA). Standardization and business systems have changed their values to enhance the business variables and strengthen their processing for quick and quality delivery. Datamatics has been successfully using

1. From Industry Snapshot available on 'India Brand Equity Foundation' (IBEF) website (<http://www.ibef.org/industry/information-technology-india.aspx>). IBEF is a Trust established by the Department of Commerce, Ministry of Commerce and Industry, Government of India.



RPA technology as a key enabler to help clients in their digital transformation journey.

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

India is the topmost offshoring destination for IT Companies across the world, having proven its capabilities in delivering both on-shore and off-shore services to global clients, emerging technologies now offer an entire new gamut of opportunities for IT Firms in India. Social, Mobility, Analytics and Cloud (SMAC) are collectively expected to offer US \$ 1 Trillion opportunity. Cloud represents the largest opportunity under SMAC, increasing at a CAGR of approximately 30% to around US \$ 600-700 billion by 2020. The Indian e-commerce segment is US\$ 12 billion in size and is witnessing strong growth and thereby offers another attractive avenue for IT companies to develop products and services to cater to the high growth consumer segment.<sup>2</sup>

## RISKS AND CONCERNS

Your Company recognizes that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment, along with the cost of treating risks and incorporates risk treatment plans in its strategy, business and operational plans. Risk management is an integral part of our business. Datamatics has a 'Risk Management Policy', to identify, evaluate, categorize and prioritize the risks, from its early stage and across the life cycle, develop and implement a risk mitigation plan to proactively reduce the potential impact of risk occurrence by providing adequate resources and monitoring continuously. Datamatics has always focused on risk mitigation, thereby strengthening its sustainability. Some of the key risks and risk mitigation strategies have been highlighted below:

### Global Economic Risk

A part of the business is substantially dependent on the prevailing global economic conditions. Factors that may adversely affect the global economy and in turn India's IT industry include slowdown in the rate of IT sector development, inflation, changes in tax, trade, fiscal and monetary policies etc. The changing economic conditions in these markets could enhance cost pressure on clients and thus may affect the Company adversely in a number of ways. The Company may witness a reduction in prices or the loss of key projects

and customers, in turn affecting the financial performance. Datamatics mitigates global economic risk by focusing on new market segments, faster growth in geographies other than the US and Europe.

### Employee Related Risks

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

Datamatics manages employees' related and attrition risks by adopting the following ways:

- Engaging skilled professionals at the right time across all locations.
- Datamatics has strong in-house and external Training programs, providing the latest technology and soft skills interventions.
- Datamatics has a comparable remuneration structure, developed HR process and various employee friendly initiatives.
- The performance of employees is linked directly to quality of work delivered, customer satisfaction, increasing product sales of the Company.
- Datamatics provides an opportunity to connect all of its employees through the Employee Connect initiative and client survey.

### Business Continuity & Information Security

Datamatics maintains, develops and operates information for various customers. Any natural or man-made catastrophe may halt business activities and cause irreparable damage to the brand reputation of the Company. Similarly, the vital need for confidentiality and security of confidential data both belonging to clients as well as the Company itself also pose risks of leaks, loss or compromise of information.

Datamatics is an ISO 27001:2005 certified organization, i.e. the organization is certified and complies with the Information Security related standards. Datamatics is committed to maintain an effective Information Security Management System. This enables dissemination of information throughout the organization; sharing with its associates and its customers, as required for the business, while ensuring, as appropriate, its confidentiality, integrity and availability. Datamatics Information Security Policy and control mechanisms ensure that these risks are kept in control. The Information Security team assess and manage information security and data privacy and related risks by leveraging on People, Processes & Technology.

2. From Industry Snapshot available on 'India Brand Equity Foundation' (IBEF) website (<http://www.ibef.org/industry/information-technology-india.aspx>)

## Competition Risk

The risk arises from more players wanting a share in same pie. Like in most other industries, opportunity brings with itself competition. We face different levels of competition in each segment from domestic as well as multinational Companies. However, Datamatics has established strong brand goodwill in the market and a strong foothold in the IT & ITeS Spectrum.

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

- Datamatics has deep domain knowledge, skilled professionals, delivery capabilities and efficient sales force and relationship managers to help retain its competitive positioning amongst peers.
- Adopting customer centric approach together with our ability to innovate customer specific solutions.
- Datamatics strives and invests in developing new and improved technologies to keep pace with the increasing level of competition focusing on customer expectations.

## Legal & Regulatory Compliance Risk

Datamatics has its presence globally, in developed as well as developing countries with increasing complex and varied legal and regulatory compliance landscape and is continuously adding new geographies resulting into a risk of non-compliance.

Datamatics uses the services of professional consultants and maintains a comprehensive compliance management framework to ensure compliance with domestic and overseas laws and regulations. Changes in the applicable regulations are monitored and tracked on a global basis.

## Currency Risk

As your Company derives 89% of revenues in US dollars and other foreign currencies during the FY 2015-16, volatility in currency exchange movements can have a negative impact on the Company's financial performance.

Datamatics manages this risk through appropriate hedging policy and business marketing practices. The Company continues to constantly review the economic scenario and update strategies accordingly.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Good governance, well defined systems and processes, a vigilant finance function and an independent internal audit function are the foundation of the internal control systems. These systems provide a reasonable assurance with respect to providing financial and operational information, complying with

applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. Your Company is committed to ensure that its operations are carried out within a well-defined internal control framework. Datamatics' internal financial control systems are commensurate with its size and operations of the Company.

The Company has appointed M/s. BDO India LLP, Chartered Accountants, Mumbai as Internal Auditors of the Company to carry out the Internal Audit, which is commensurate with the size, nature and complexity of its operations. During the year, the Internal Auditor has carried out their audit on the significant areas viz., 1) Healthcare operations 2) Document Management Solutions 3) Revenue Assurance and Operations - Vista 4) HR and Payroll Review. The Audit Committee periodically reviews the performance of the Internal Audit function. The Company's Audit committee, comprising of three Independent Directors, which is a sub-committee of the Board, reviews adherence to the requirements of internal control systems, internal audit reports and legal compliances. The Audit Committee also reviews Internal Audit Reports submitted by the Internal Auditors. Suggestions for improvement are considered. The Committee reviews all quarterly, half yearly and yearly financial results of the Company and recommends it to the Board for approval.

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

### I. Financial Condition

#### SOURCES OF FUNDS

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

#### a. Share Capital

The Company's authorised capital is divided in to two class of shares, 104,000,000 Equity Shares of ₹ 5/- each and 45,550,000 Redeemable Preference Shares of ₹ 10/- each.

The authorized share capital of the company have been increased from ₹ 800.0 million as on March 31, 2015 to ₹ 975.5 million during the year, pursuant to a scheme of amalgamation of Datamatics Software Services Limited and Datamatics Vista Info Systems Limited, Subsidiaries of the Company with and into the Company. The scheme was approved by Hon'ble High court of Mumbai on April 22, 2016 with an appointed date of April 1, 2015 (Hereinafter referred to as "the scheme of amalgamation")

The paid up capital of the company remains the same as at March 31, 2016 vis-à-vis previous year, i.e. ₹ 294.75 million divided into 58,949,337 Equity Shares of ₹ 5/- each fully paid up.

## b. Reserves and Surplus

### Capital Reserve

On a standalone and consolidated basis, the balance as at March 31, 2016 amounted to ₹ 35.6 million (previous year ₹ 3.5 million). The increase of ₹ 32.1 million is pursuant to the Scheme of Amalgamation.

### Capital Redemption Reserve

On a standalone and consolidated basis, the balance as at March 31, 2016 amounted to ₹ 244.0 million and ₹ 250.0 million respectively, which is the same as the previous year.

### Securities Premium

On a standalone and consolidated basis, the balance as at March 31, 2016 amounted to ₹ 1,080.0 million, which is the same as the previous year.

### Foreign Exchange Fluctuation Reserve

On a consolidated basis, the balance as at March 31, 2016 amounted to ₹ 182.3 million (previous year ₹ 140.5 million)

### Hedging Reserve Account

On a standalone and consolidated basis, the balance as at March 31, 2016 amounted to ₹ 53.7 million and ₹ 57.8 million respectively (previous year ₹ 72.2 million and ₹ 77.2 million respectively).

### General Reserve

On a standalone basis, the balance as at March 31, 2016 amounted to ₹ 1,077.1 million, which is the same as the previous year. On a consolidated basis, the balance as at March 31, 2016 amounted to ₹ 633.7 million (previous year ₹ 784.8 million). The reduction in consolidated balance is pursuant to the scheme of amalgamation.

### Surplus in Statement of Profit and Loss

On a standalone basis, the balance retained in the Surplus in Statement of Profit and Loss as at March 31, 2016 amounted to ₹ 1,657.7 million, after providing the internal and final dividend for the year of ₹ 29.5 million and ₹ 14.7 million respectively, and dividend tax of ₹ 6.4 million thereon. The total amount of profits appropriated to dividend including dividend tax was ₹ 50.6 million as compared to ₹ 67.0 million in the previous year.

On a consolidated basis, the balance retained in the Surplus in Statement of Profit and Loss as at March 31, 2016 is ₹ 1,665.0 million, after providing the internal and final dividend for the year of ₹ 42.1 million and ₹ 14.7 million respectively, and dividend tax of ₹ 11.6 million thereon. The total amount of profits appropriated to dividend including dividend tax was ₹ 68.4 million as compared to ₹ 92.4 million in the previous year.

### Shareholders' Fund

On a standalone basis, the total shareholders' fund increased to ₹ 4,443.2 million as at March 31, 2016 from ₹ 4,156.7 million as at March 31, 2015.

The book value per share increased to ₹ 75.4 as at March 31, 2016, compared to ₹ 70.5 as at March 31, 2015.

On a consolidated basis, the total shareholders' fund increased to ₹ 4,199.7 million as at March 31, 2016 from ₹ 3,816.2 million as at March 31, 2015.

The book value per share increased to ₹ 71.2 as at March 31, 2016 compared to ₹ 64.7 as at March 31, 2015.

## APPLICATION OF FUNDS

### c. Fixed Assets

#### Addition to Gross Block – Standalone

During the year, the Company capitalize ₹ 325.8 million to gross block comprising ₹ 42.3 million on building, ₹ 67.0 million on leasehold improvement, ₹ 28.9 million on computers and software, ₹ 3.2 million on furniture, ₹ 124.0 million on Goodwill, ₹ 36.0 million on non-compete fees and ₹ 10.0 million on copyrights. During the year company acquired fixed assets of ₹ 12.0 million towards transfer on Scheme of Amalgamation.

During the previous year, the Company capitalize ₹ 71.5 million to gross block comprising ₹ 28.5 million on computers, ₹ 3.6 million on vehicles, ₹ 2.8 million on furniture and ₹ 31.8 million on software.

#### Addition to Gross Block – Consolidated

During the year, the Group capitalize ₹ 506.0 million to gross block comprising ₹ 42.3 million on building, ₹ 68.6 million on leasehold improvements, ₹ 24.4 million on computers, ₹ 12.9 on machinery and equipment, ₹ 213.1 million on Goodwill, ₹ 36.0 million on non-compete fees, ₹ 88.9 million on software and ₹ 10.0 million on copyrights. During the year company acquired fixed assets of ₹ 12.0 million towards transfer on Scheme of Amalgamation.

During the previous year, the Group capitalized ₹ 135.8 million comprising ₹ 56.1 million on computers, ₹ 53.5 on software, ₹ 6.1 million on furniture, ₹ 5.5 million on machinery and equipment, ₹ 5.3 million on office equipment and ₹ 3.7 million on vehicles.

#### Deductions to Gross Block – Standalone

During the year, the Company deducted ₹ 18.3 million from gross block on the disposal of various assets as against ₹ 8.3 million that was deducted from the gross block on disposal of various assets in the previous year.

#### Deduction to Gross Block – Consolidated

During the year, the Group deducted ₹ 93.5 million from gross block on the disposal of various assets as against ₹ 20.2 million that was deducted from the gross block on disposal of various assets in the previous year.

#### Capital commitments

On a standalone and consolidated basis, the Group has capital commitment of ₹ 70.0 million as at March 31, 2016 as compared to Nil as at March 31, 2015. The same is on account of expansion.

#### d. Deferred tax assets / liabilities

(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Deferred tax assets, net	-	8.9	-	-
Deferred tax liabilities, net	8.2	-	108.1	74.5

Deferred tax liabilities primarily comprise deferred taxes on fixed assets, employee benefits and trade receivables.

#### e. Trade Receivables

On a standalone basis, the trade receivables amounted to ₹ 668.5 million (net of provision for doubtful debts amounting to ₹ 8.2 million) as at March 31, 2016, compared to ₹ 427.2 million (net of provision for doubtful debts amounting to ₹ 7.3 million) as at March 31, 2015. These debts are considered good and realizable. Debtors are at 23.7% and 22.7% of revenues of the year ended March 31, 2016 and March 31, 2015 respectively, representing a Days Sales outstanding of 87 days, compared to 83 days in the previous year.

On a consolidated basis, the trade receivables amounted to ₹ 1,849.5 million (net of provision

for doubtful debts amounting to ₹ 15.6 million) as at March 31, 2016, compared to ₹ 1,647.6 million (net of provision for doubtful debts amounting to ₹ 34.9 million) as at March 31, 2015. These debts are considered good and realizable. Debtors are at 22.7% and 19.9% of revenues of the year ended March 31, 2016 and March 31, 2015 respectively, representing a Days Sales outstanding of 83 days, compared to 73 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.

On consolidated basis, current investment increased to ₹ 765.3 million as on March 31, 2016 from ₹ 570.7 million as on March 31, 2015. On a standalone basis, current investments increased to ₹ 315.1 million as at March 31, 2016 from ₹ 151.8 million as at March 31, 2015.

On consolidated basis, non-current investments increased to ₹ 537.9 million as at March 31, 2016 from ₹ 268.7 million as at March 31, 2015. On a standalone basis, non-current investments increased to ₹ 2,684.9 million as at March 31, 2016 from ₹ 2,631.5 million as at March 31, 2015.

#### g. Cash and Bank Balances

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

On a standalone basis, cash and bank balance in current account stands at ₹ 146.4 million as at March 31, 2016 as compared to ₹ 99.7 million as at March 31, 2015.

On a consolidated basis, cash and bank balance in current account stands at ₹ 627.9 million as at March 31, 2016 as compared to ₹ 716.4 million as at March 31, 2015.

#### h. Loans and advances and other non-current assets

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

(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Advance Payment of Tax (Net)	71.8	0.1	87.4	48.1



(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
MAT credit entitlement	103.1	60.9	103.1	67.6
Security Deposit	41.3	24.4	76.0	83.1
Advances to subsidiaries	16.2	294.7	-	-
Service tax receivable	10.0	34.1	55.5	66.2
Prepaid expenses	0.3	1.2	0.3	1.2
Advance to employees	6.0	0.6	6.0	0.6
Other receivables	1.8	1.8	1.8	1.8
Fair value of outstanding Forward Contracts	12.1	22.0	12.8	25.8
Bank Deposits (including interest accrued but not due)	-	14.1	-	14.1
Total	262.6	453.9	342.9	308.5

On a standalone basis, Long-term loans and advances and other current assets decreased to ₹ 262.6 million as at March 31, 2016 compared to ₹ 453.9 million as at March 31, 2015. Decrease in loans and advances to subsidiaries on account of amalgamation of Datamatics Software Services Limited into the Company to whom loans were given. This decrease is offset by increase in advance income tax and MAT credit entitlement of ₹ 113.9 million.

On a consolidated basis, Long-term loans and advances and other current assets increased to ₹ 342.9 million as at March 31, 2016 compared to ₹ 308.5 million as at March 31, 2015. Increase is on account of increase in Advance income tax and MAT credit entitlement of ₹ 74.8 million, offset by reduction in fair value of Forward Contracts by ₹ 13.0 million, Service tax receivable by ₹ 10.7 million and bank deposits by ₹ 14.1 million.

#### Short-term loans and advances

(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
MAT credit entitlement	2.6	6.4	2.6	13.6
Security deposit	3.4	3.4	11.1	8.0
Inter corporate deposit	-	30.0	10.0	37.0

(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Service tax receivable	18.1	18.5	20.3	27.1
Prepaid expenses	18.7	20.1	141.0	109.9
Other receivables	0.7	0.8	25.7	23.6
Advance to employees	15.0	11.0	25.8	18.4
Advance to vendors	1.0	0.1	1.0	1.2
Fair value of outstanding forward contracts	41.6	50.2	50.0	53.1
Other advances	-	-	6.3	2.7
Unbilled revenue	55.4	41.8	384.4	399.1
Interest accrued	0.8	1.0	0.8	1.0
Contractually reimbursable expenses	-	-	0.8	1.3
Total	157.3	183.3	679.8	696.0

On a standalone basis, Short-term loans and advances and other current assets were ₹ 157.3 million as at March 31, 2016 compared to ₹ 183.3 million as at March 31, 2015. Short-term loans and advances include security deposits, MAT credit and service tax receivable balances and Fair value of Outstanding Forward Contracts maturing within one year. Other current assets include unbilled revenue and interest accrued on investment and deposits.

On a consolidated basis, Short-term loans and advances and other current assets were ₹ 679.8 million as at March 31, 2016 compared to ₹ 696.0 million as at March 31, 2015. Short-term loans and advances include security deposits, MAT credit and service tax receivable balances and Fair value of Outstanding Forward Contracts maturing within one year. Other current assets include unbilled revenue and interest accrued on investment and deposits.

#### i. Long-term and Short-term provisions

(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Provision for employee benefits – Gratuity	52.9	53.8	87.8	91.2
Provision for employee benefits – Leave encashment	39.9	24.8	65.3	57.1
Proposed dividend including tax thereon	17.7	46.1	17.7	46.1



(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Provision for tax (net of advance)	29.8	2.6	36.3	-
Total	140.3	127.3	207.1	194.4

On a standalone basis, employee benefits provisions increased to ₹ 92.8 million as at March 31, 2016 compared to ₹ 78.6 million as at March 31, 2015. On consolidated basis, employee benefits provision increased to ₹ 153.1 million as at March 31, 2016 compared to ₹ 148.3 million as at March 31, 2015.

Company declared dividend of ₹ 0.25 (previous year ₹ 0.65) for the year ended March 31, 2016. The Board of Directors, in their meeting held on May 27, 2016 proposed a Final Dividend of ₹ 0.25 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting.

On a standalone basis, provision for tax (net of advances) increased to ₹ 29.8 million as at March 31, 2016 compared to ₹ 2.6 million as at March 31, 2015. On consolidated basis, provision for tax (net of advances) increased to ₹ 36.3 million as at March 31, 2016 (previous year Nil).

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

(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Trade payable	175.4	98.2	531.1	530.3
Current maturity of long term borrowing	164.3	155.0	164.3	155.0
Interest accrued but not due	3.6	3.3	3.6	3.4
Unearned revenue	2.7	7.2	65.1	7.2
Advance received from customer	1.4	1.0	7.3	1.4
Unpaid dividend	8.2	1.6	20.8	1.6
Statutory liabilities	32.1	19.5	80.9	61.6
Other payable	6.6	6.6	6.6	6.9
Total	394.3	292.4	879.7	767.4

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

**II. Operations Results:**

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

(₹ in million)

Particulars	Standalone		Consolidated	
	2016	2015	2016	2015
Income from Operations	2,816.1	1,885.7	8,161.8	8,279.9
Other Income	165.7	79.4	184.5	66.6
Total Revenue	2,981.8	1,965.1	8,346.3	8,346.5
Operating Expenses	2,391.9	1,538.8	7,429.1	7,428.6
EBITDA	589.9	426.3	917.2	917.9
Finance Cost	55.3	51.2	66.6	67.5
Depreciation and amortization	123.4	84.2	269.3	209.9
Earnings before Interest & Tax	411.2	290.9	581.3	640.5
Taxes	87.7	37.5	137.5	155.4
Net Profit after Tax	323.5	253.4	443.8	485.1

**a. Income:**

**Income from Operations**

On standalone basis, income from operations increase to ₹ 2,816.1 million in F.Y. 2015-16 compared to ₹ 1,885.7 million in F.Y. 2014-15. Increase in revenue is mainly on account of amalgamation of Datamatics Software Services limited and Datamatics Vista Info Systems Limited into the Company and due to addition of new clients and higher volume of business from existing clients.

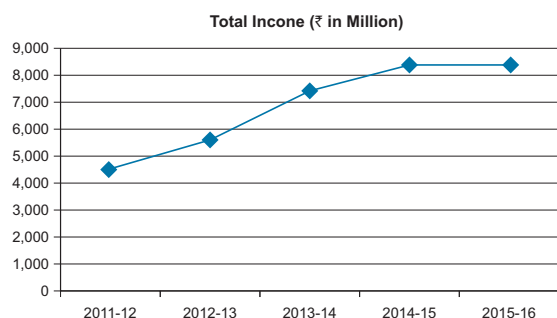
On consolidated basis, Income from operations decreased by 1.43% to ₹ 8,161.8 million in F.Y. 2015-16 compared to ₹ 8,279.9 million in F.Y. 2014-15. Decrease in revenue is mainly on account of certain projects coming to a natural end and one of the largest revenue contributing client of one of our subsidiary Company's reducing the business substantially. The reduction in revenue is offset by increase in revenue due to addition of new clients and higher volume of business from existing clients.

**Other Income**

On standalone basis, Other income comprises of dividend from current and non-current investments, interest from Banks and Others, Profit on sale of current and non-current investments and Gain from Exchange Fluctuation. Other income (including ₹ 48.6 million in exceptional items) increased to ₹ 165.7 million in F.Y. 2015-16 from ₹ 79.4 million in F.Y. 2014-15. The increase is primarily on account

of gain from exchange fluctuations by ₹ 61.3 million offset by decrease in Profit on Sale of Investments by ₹ 10.8 million and Interest and Dividend Income by ₹ 25.9 million. Miscellaneous income increased by ₹ 12.9 million. Exceptional income of ₹ 48.6 million received from Datamatics Employee Welfare Trust on its liquidation.

On consolidated basis, Other income comprises of dividend from current and non-current investments, interest from Banks and Others, Profit on sale of current and non-current investments and Gain from Exchange Fluctuation. Other income (including ₹ 48.6 million in exceptional items) increased to ₹ 184.5 million in F.Y. 2015-16 from ₹ 66.6 million in F.Y. 2014-15. The increase is primarily on account of gain from exchange fluctuations by ₹ 80.4 million offset by decrease in Profit on Sale of Investments by ₹ 14.9 million and Interest and Dividend Income by ₹ 7.2 million and exceptional income of ₹ 48.6 million received from Datamatics Employee Welfare Trust on its liquidation.



### Expenditure

On standalone basis, Operating expenses comprise of purchase of IT Products and Licenses, employee costs and other expenses. The total operating expenses are at ₹ 2,391.9 million in F.Y. 2015-16 compared to ₹ 1,538.8 million in F.Y. 2014-15. Operating expenses as a percentage to revenue has increased from 81.60% of revenue in F.Y. 2014-15 to 84.94% of revenue in F.Y. 2015-16, an increase of 3.34% on the revenue.

On standalone basis, Employee costs increased to ₹ 1,651.3 million in F.Y. 2015-16 from ₹ 1,020.0 million in F.Y. 2014-15 by 61%, primarily due to amalgamation of two subsidiaries into the company. Other operating expenses increased to ₹ 740.6 million in F.Y. 2015-16 from ₹ 518.8 million

in F.Y. 2014-15. Other operating expenses have decreased from 26.40% of revenue in F.Y. 2014-15 to 25.25% of revenue in F.Y. 2015-16, a decrease of 1.15% on revenue.

On consolidated basis, Operating expenses comprise of purchase of IT Products and Licenses, employee costs and other expenses. The total operating expenses are at ₹ 7,429.1 million in F.Y. 2015-16 compared to ₹ 7,428.6. Operating expenses as a percentage to revenue has increased from 89.72% of revenue in F.Y. 2014-15 to 91.02% of revenue in F.Y. 2015-16, an increase of 1.3% on the revenue.

On consolidated basis, Employee costs increased to ₹ 5,056.0 million in F.Y. 2015-16 from ₹ 4,542.0 million in F.Y. 2014-15 by 11%, primarily due to normal increments carried out in F.Y. 2015-16. Other operating expenses decreased to ₹ 2,373.1 million in F.Y. 2015-16 from ₹ 2,886.7 million in F.Y. 2014-15. Primarily on account of reduction in purchase of IT products and Software by ₹ 39.7 million, Technical fees by ₹ 511.0 million marginally offset by increase in rent by ₹ 7.1 million and entertainment expenses by ₹ 7.0 million. Other operating expenses have decreased from 34.79% of revenue in F.Y. 2014-15 to 28.60% of revenue in F.Y. 2015-16, a decrease of 6.19% on revenue.

### b. Depreciation and Amortisation

On standalone basis, depreciation charge has increased to ₹ 123.4 million in F.Y. 2015-16 from ₹ 102.3 million (including depreciation pursuant to the Transitional Provisions as per Companies Act, 2013) in F.Y. 2014-15. Increase in current year is on account of purchases and capitalization of assets in current year.

On consolidated basis, Depreciation charge has increased to ₹ 269.3 million in F.Y. 2015-16 from ₹ 235.1 million (including depreciation pursuant to the Transitional Provisions as per Companies Act, 2013) in F.Y. 2014-15. Increase in current year is on account of purchases and capitalization of assets in current year.

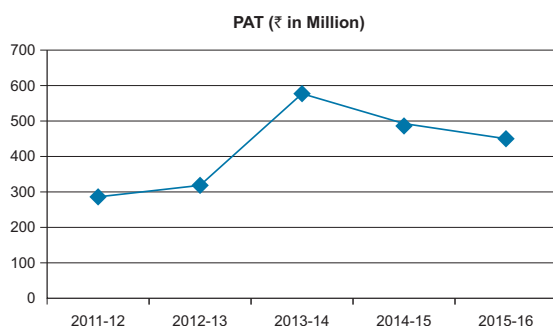
### c. Income Tax Expenses

The Company's consolidated tax expense (including deferred taxes) decreased to ₹ 137.5 million in F.Y. 2015-16 from ₹ 155.4 million in F.Y. 2014-15.

#### d. Net Profit After Tax

On standalone basis, Net Profit after Tax increased to ₹ 323.5 million in F.Y. 2015-16 from ₹ 253.4 million in F.Y. 2014-15.

On consolidated basis, Net Profit after Tax decreased to ₹ 443.8 million in F.Y. 2015-16 from ₹ 485.1 million in F.Y. 2014-15.



## HUMAN RESOURCES MANAGEMENT

Datamatics as a Company considers human resources as a strong function which supports the delivery and performance with its ability to maintain to a large extent its strength in attracting, developing, motivating and retaining talent. We believe that people are the most valuable asset of the Company as they contribute individually as well as collectively to the achievement of business objectives. Our Company's endeavor is to provide a work environment that encourages a

positive attitude and superior performance. The key elements of your Company's human resource management strategy include a comprehensive approach to managing people and the workplace culture and environment. Effectively, HR supports employees at every step in their career which enables employees to grow professionally, contribute effectively and productively to the overall company direction and the accomplishment of the organization's goals and objectives.

The total global manpower strength of your Company is approximately 7,702 employees.

## CAUTIONARY STATEMENT

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

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

# Independent Auditors' Report on Consolidated Financial Statements

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

We have audited the accompanying consolidated financial statements of Datamatics Global Services Limited ("the Holding Company"), and its subsidiaries (the Holding Company and its subsidiaries constitute 'the Group'), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors are responsible for the matters and presentation stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated financial statements to give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these consolidated financial statements by the Board of Directors of the Holding Company.

## Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

## Opinion

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

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2016;
- in the case of the consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- in the case of consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

## Other Matters

1. We did not audit the financial statements of twelve subsidiaries (including five step down subsidiaries) included in the consolidated financial statements as at the year ended March 31 2016, whose financial statements reflect total assets of ₹ 6,151.45 million as at March 31, 2016 and total revenue of ₹ 6,791.77 million for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the management, and our opinion, on the financial statements in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the such other auditors.
2. Further, we have relied on the unaudited financial statements furnished by the management with respect to one subsidiary and eight step down subsidiaries whose financial statements reflect total assets of ₹ 337.32 million as at March 31, 2016 and total revenue of ₹ 131.08 million for the year then ended. These unaudited financial statements and other financial information as approved by the respective Board of Directors of these companies, have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of the consolidated financial statements is based solely on such approved unaudited financial statements.

We are unable to comment upon the resultant impact, if any, on the profit and net assets of the Consolidated financial statements of the Company as at March 31, 2016, had the subsidiaries including step down subsidiaries been audited.

Our opinion is not qualified in respect of Other Matters.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016, taken on record by the Board of Directors of the Company and the reports of the auditors of its subsidiary companies incorporated in India, none of the Directors of the Company and its subsidiaries, incorporated in India is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i) The Group has disclosed the impact of pending litigations on the consolidated financial position of the Group in its consolidated financial statements – Refer Note 26(a) to the financial statement;
    - ii) The Group has made provisions in its consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts.
    - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company and its subsidiary companies incorporated in India.

### For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration Number: 104746W/W100096

### Jyoti Kawa

Partner

Membership No: 105654

Place: Mumbai

Date: May 27, 2016



## Annexure A to 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")

We have audited the internal financial controls over financial reporting of Datamatics Global Services Limited ("the Holding Company") and its subsidiary companies which are companies incorporated in India as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

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

#### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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

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

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

## Opinion

In our opinion and based on the reports of the auditors of its subsidiary companies incorporated in India, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration Number: 104746W/W100096

### Jyoti Kawa

Partner

Membership No: 105654

Place: Mumbai

Date: May 27, 2016

# Consolidated Balance Sheet

	Note No.	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3(i)	294.75	294.75
Reserves and Surplus	3(ii)	3,904.99	3,521.45
		4,199.74	3,816.20
<b>Preference Shares issued by Subsidiary Companies</b>	4	771.76	771.76
<b>Minority Interest</b>		473.10	369.84
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	5	346.45	387.50
Deferred Tax Liabilities	6	108.13	74.47
Other Long-Term Liabilities	7	0.34	0.47
Long-Term Provisions	8	114.90	114.24
		569.82	576.68
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	9	390.37	379.67
Trade Payables		-	-
- Total outstanding dues of micro enterprises and small enterprises		531.07	530.32
- Total outstanding dues of creditors other than micro enterprises and small enterprises			
Other Current Liabilities	10	348.63	237.14
Short-Term Provisions	11	92.31	80.20
		1,362.38	1,227.33
<b>TOTAL</b>		7,376.80	6,761.81
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	12		
- Tangible		1,155.47	1,122.41
- Intangible		1,400.00	1,259.16
Capital Work in Progress		18.00	109.69
Non-Current Investments	13	537.93	268.69
Amount recoverable from ESOP Trust		-	62.69
Long-Term Loans and Advances	14	342.99	294.33
Other Non-Current Assets	15	-	14.11
		3,454.39	3,131.08
<b>CURRENT ASSETS</b>			
Current Investments	16	765.26	570.72
Trade Receivables	17	1,849.52	1,647.64
Cash and Bank Balances	18	627.85	716.44
Short-Term Loans and Advances	19	293.74	294.52
Other Current Assets	20	386.04	401.41
		3,922.41	3,630.73
<b>TOTAL</b>		7,376.80	6,761.81
Significant accounting policies and notes forming part of the financial statements	1 - 40		

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

**Jyoti Kawa**  
Partner  
Membership No. 105654

Place: Mumbai  
Dated: May 27, 2016

For and on behalf of the Board  
**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman

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

**Divya Kumat**  
Senior Vice President - Legal  
& Company Secretary

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

**Siddharth B. Saboo**  
Chief Financial Officer

## Consolidated Statement of Profit and Loss

	Note No.	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>REVENUE FROM OPERATIONS</b>	21	<b>8,161.78</b>	8,279.95
Other Income	22	<b>135.92</b>	66.63
<b>Total Revenue</b>		<b>8,297.70</b>	8,346.58
<b>EXPENSES</b>			
Purchase of IT Products and Licenses		<b>58.86</b>	98.60
Employee Benefit Expenses	23	<b>5,056.01</b>	4,541.99
Finance Costs	24	<b>66.61</b>	67.54
Depreciation and Amortization Expenses		<b>269.28</b>	209.86
Other Expenses	25	<b>2,314.23</b>	2,788.05
<b>Total Expenses</b>		<b>7,764.99</b>	7,706.04
<b>Profit before Extraordinary Item</b>		<b>532.71</b>	640.54
Extraordinary Items	31	<b>48.59</b>	-
<b>Profit after Extraordinary Item and Before Tax</b>		<b>581.30</b>	640.54
<b>Tax Expenses</b>			
- Current Tax and Wealth Tax		<b>152.38</b>	169.46
- MAT Credit Entitlement		<b>(39.66)</b>	(19.21)
- Deferred tax		<b>27.32</b>	4.15
- Tax Adjustment of earlier years		<b>(2.49)</b>	1.00
<b>Profit After Tax</b>		<b>443.75</b>	485.14
Share of Minority Interest in Profit for the year		<b>(4.57)</b>	53.03
<b>Net Profit After Minority Interest</b>		<b>448.32</b>	432.11
Earnings per share (Face Value ₹ 5 each)	32		
- Basic (in ₹)		<b>7.61</b>	7.33
- Diluted (in ₹)		<b>7.45</b>	7.30
Significant accounting policies and notes forming part of the financial statements	1 - 40		

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

**Jyoti Kawa**  
Partner  
Membership No. 105654

Place: Mumbai  
Dated: May 27, 2016

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

**Divya Kumat**  
Senior Vice President - Legal  
& Company Secretary

For and on behalf of the Board  
**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman

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

**Siddharth B. Saboo**  
Chief Financial Officer

# Consolidated Cash Flow Statement

	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before Tax</b>	<b>532.71</b>	<b>640.54</b>
<b>Adjusted for:</b>		
Provision for Retirement benefits	12.66	45.24
Depreciation and amortization	269.28	209.86
Finance Costs	66.61	67.54
Loss on sale of Fixed Assets	3.73	4.74
Interest on Fixed Deposit and Others	(6.33)	(10.80)
Dividend Received	(16.06)	(18.83)
Profit on sale of Investments	(60.14)	(26.41)
Provision for diminution in the value of investment	5.85	5.72
Bad Debts Written off	6.56	6.90
Provision for doubtful Debts	-	6.72
Employee Stock Option Expenses	2.65	0.68
Exchange difference on translation of foreign currency monetary items	62.77	8.79
<b>Operating Profit before Working Capital Changes</b>	<b>880.29</b>	<b>940.69</b>
<b>Adjusted for:</b>		
Increase in Sundry Debtors	(201.88)	(128.36)
Decrease in Loans and Advances	10.72	141.32
Increase / (Decrease) in Current Liabilities	196.55	(131.41)
	<b>5.39</b>	<b>(118.45)</b>
<b>Cash Generated from Operations</b>	<b>885.68</b>	<b>822.24</b>
Tax Paid (Net of tax refund received)	152.91	244.10
<b>Net Cash From Operating Activities</b>	<b>732.77</b>	<b>578.14</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(283.18)	(180.63)
Sale of Fixed Assets	0.55	0.68
Purchase of Investments	(319.50)	(21.10)
Interest on Fixed Deposit and Others	6.33	10.80
Loss on sale of Investments	60.14	26.41
Dividend Received	16.06	18.83
<b>Net Cash (used in) / from Investing Activities</b>	<b>(519.60)</b>	<b>(145.01)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds / (Repayment) from Borrowings	(21.04)	9.57
Finance Costs	(66.61)	(67.54)
Final Equity Dividend Paid	(38.32)	(115.68)
Tax paid on dividend	(7.80)	(19.66)
Interim Dividend Paid	(42.07)	(39.53)
Tax paid on Interim dividend	(8.57)	(6.72)
<b>Net Cash Flow used in Financing Activities</b>	<b>(184.41)</b>	<b>(239.56)</b>
<b>Net Increase in Cash and Cash Equivalent during the year</b>	<b>28.76</b>	<b>193.57</b>
Cash and Cash equivalents as at beginning of the year	649.65	464.87
Exchange difference on translation of foreign currency cash and cash equivalents	(62.77)	(8.79)
Cash and Cash equivalents as at the End of the year	615.64	649.65
Earmarked balances with banks	12.21	66.79
<b>Cash and Bank balances at the end of the year</b>	<b>627.85</b>	<b>716.44</b>

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

**Jyoti Kawa**  
Partner  
Membership No. 105654

Place: Mumbai  
Dated: May 27, 2016

For and on behalf of the Board  
**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman

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

**Divya Kumat**  
Senior Vice President - Legal  
& Company Secretary

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

**Siddharth B. Saboo**  
Chief Financial Officer



# Significant Accounting Policies and Notes Forming part of the Consolidated Financial Statements

## 1 COMPANY OVERVIEW

Datamatics Global Services Limited (DGSL) was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Company was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Company converted itself from a Private Limited Company into a Public Limited Company and the name of the Company was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Company was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009.

DGSL and its subsidiaries (collectively referred to as "the Group"), a trusted partner to several Fortune 500 Companies is a global provider of Information Technology (IT) and Business Process Outsourcing (BPO) and Consulting services. The Group provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### i Basis of Preparation of Financial Statements:

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

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

### ii Basis of Consolidation:

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2016 and as at March 31, 2015 are summarized below:

Name of the Subsidiary	2015 - 16		2014 - 15	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Inc.	USA	100	USA	100
Datamatics Global Services GmbH	Germany	100	Germany	100
Datamatics Technologies UK Limited (DTUK)	UK	100	UK	100
Datamatics Software Services Limited (DSSL) (Merged with the Company w.e.f. April 1, 2015)	-	-	India	100
Datamatics Infotech Limited (DIL)	UK	100	UK	100
Datamatics Global Services Pty. Limited	Australia	100	Australia	100
Datamatics Global Technologies Limited (DGTL)	Mauritius	100	Mauritius	100

# Significant Accounting Policies and Notes Forming part of the Consolidated Financial Statements

Name of the Subsidiary	2015 - 16		2014 - 15	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Technologies AG (DGTAG) *	<b>Switzerland</b>	<b>100</b>	Switzerland	100
Datamatics Global Technologies GmbH (DGTG) *	<b>Germany</b>	<b>100</b>	Germany	100
Datamatics Global Solutions GmbH	<b>Germany</b>	<b>100</b>	Germany	100
Datamatics Global Services FZ-LLC	<b>U.A.E</b>	<b>100</b>	U.A.E	100
LD Publishing & eRetail Limited #	<b>India</b>	<b>100</b>	-	-
Datamatics Global Holding Corporation (Dissolved w.e.f. March 23, 2015)	-	-	BVI	80
Datamatics Vista Info Systems Limited (Merged with the Company w.e.f. April 1, 2015)	-	-	India	100
Cignex Datamatics Corporation	<b>BVI</b>	<b>60.78</b>	BVI	60.78
Cignex Datamatics Inc.	<b>USA</b>	<b>60.78</b>	USA	60.78
Cignex Datamatics Inc., Michigan	<b>USA</b>	<b>60.78</b>	USA	60.78
Cignex Datamatics Technologies Limited	<b>India</b>	<b>60.78</b>	India	60.78
Cignex Datamatics Pte. Limited	<b>Singapore</b>	<b>60.78</b>	Singapore	60.78
Cignex Datamatics GmbH	<b>Germany</b>	<b>60.78</b>	Germany	60.78
Cignex Datamatics UK Limited #	<b>UK</b>	<b>60.78</b>	-	-
Duo Design LLC @	<b>USA</b>	<b>40.11</b>	-	-
Cybercom Datamatics Information Solutions Limited (CDISL)	<b>India</b>	<b>50.50</b>	India	50.50
Lumina Datamtics Limited (Formerly known as Lexicon Publishing Services Private Limited)	<b>India</b>	<b>73.12</b>	India	73.12
Lumina Datamatics Inc. (Formerly known as Premedia Global Inc.)	<b>USA</b>	<b>73.12</b>	USA	73.12
Lumina Datamatics GmbH (Formerly known as Datamatics eRetail and Publishing GmbH)	<b>Germany</b>	<b>73.12</b>	Germany	73.12
Lumina Datamatics Assessment & Analytics, LLC @	<b>USA</b>	<b>73.12</b>	-	-
LDR eRetail Limited #	<b>India</b>	<b>73.12</b>	-	-

\* Under Liquidation

# Incorporated during the year

@ Acquired during the year

The financial statements of the Parent Company and its subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting unrealized profits in full. The amounts shown in respect of accumulated reserves comprises the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post acquisition increase / decrease in the relevant reserves / accumulated deficit of its subsidiaries.

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

The Parent Company and its Indian subsidiaries maintain their records and prepare their financial statements under the Historical Cost Convention except for certain Fixed Assets which are revalued, in accordance with generally accepted accounting principals in India while the foreign subsidiaries maintain their records and prepare their financial statements in conformity with GAAP prevalent in their respective countries of domicile.



## Significant Accounting Policies and Notes Forming part of the Consolidated Financial Statements

Consolidated financial statements has 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.

### iii Tangible assets, Intangible assets and Capital work-in-progress:

Fixed Assets are stated at acquisition cost, except for certain fixed assets which have been stated at revalued amounts as determined by approved independent valuer, less accumulated depreciation. Direct Costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Intangible assets consist of expenses incurred / paid for development and acquisition of computer software. Capital work-in-progress includes assets not put to use before the year end.

Depreciation is provided on Straight Line Method except for leasehold and freehold land by the parent company and its indian subsidiary as stated in the significant accounting policies forming integral part of the financial statements. Whereas the foreign subsidiaries have provided depreciation on the assets over their estimated useful life as required / permissible by the local laws. The aggregate Gross Block of ₹ 1,540.08 million (₹ 735.37 million) of foreign subsidiaries have charged depreciation as per the useful life other than those prescribed in Schedule II to Companies Act, 2013. Intangible assets including internally developed intangible assets are amortized over a period of three years for which the Group expects the benefits to accrue. Non-Compete fees and copyrights are amortised over a period of five years. Goodwill generated on account of merger is amortised over a period of five years. Leasehold Premises is amortized on the Straight Line Method over the period of the Lease.

### iv Goodwill / Capital Reserve:

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

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

### v Operating Lease:

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

### vi Revenue Recognition:

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

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

# Significant Accounting Policies and Notes Forming part of the Consolidated Financial Statements

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

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

Cost and earnings in excess of billings are 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.

## vii Employee Benefits:

In case of Parent Company and its Indian Subsidiaries; (i) Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liabilities towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Statement of Profit and Loss. Long term compensated absences are provided for based on actuarial valuation.

Foreign subsidiaries maintain a defined contribution retirement plan, which covers substantially all the employees of the foreign subsidiaries and qualifies as a deferred salary arrangement under laws of respective countries. The Group matches employees' contributions at the discretion of the Group.

## viii Foreign Exchange Transactions:

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

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date.

Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in Statement of Profit and Loss in the year in which it arises.

## ix Foreign Currency Translation:

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets, depreciation and stock in trade using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period.

Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

Exchange Difference arising on investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

## x Derivative Instruments and Hedge Accounting:

The Parent Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Such forward contracts are utilised against the inflow of funds under firm commitments. The 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.

## Significant Accounting Policies and Notes Forming part of the Consolidated Financial Statements

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

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

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

### **xi Investments:**

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

### **xii Taxation:**

Provision for Current Income Tax is made after taking into consideration various benefits / exemption available under the laws of the respective countries.

### **xiii Deferred Tax:**

The Parent Company and its Indian Subsidiaries: Tax expense comprises of current tax and deferred tax. Current tax and deferred tax are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income", issued by ICAI. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. Deferred income taxes reflect the impact of the current period timing difference between taxable income and accounting income for the period and reversal of timing difference of earlier years / period. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available except that deferred tax asset arising on account of unabsorbed depreciation and losses are recognised if there is virtual certainty that sufficient future taxable income will be available to realise the same.

Tax expense relating to overseas operations is determined in accordance with tax laws applicable in countries where such operations are domiciled.

### **xiv Borrowing Cost:**

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

### **xv 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.



# Significant Accounting Policies and Notes Forming part of the Consolidated Financial Statements

## xvi Earnings per Share:

In determining Earnings per Share, the Group considers the net profit after tax after reducing the preference dividend and tax thereon and includes the post-tax effect of any extra-ordinary items. The number of shares used in computing basic earnings per share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

## xvii Employee Stock Option Scheme:

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

## xviii Impairment of Assets:

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

## xix 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.

## xx 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.

## xxi Segment Reporting:

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

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

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

## Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>3 SHAREHOLDERS' FUNDS</b>		
<b>(i) SHARE CAPITAL</b>		
<b>a) Authorised</b>		
104,000,000 (100,000,000) Equity shares of ₹ 5 each	520.00	500.00
45,550,000 (30,000,000) Redeemable Preference shares of ₹ 10 each	455.50	300.00
<b>TOTAL</b>	<b>975.50</b>	<b>800.00</b>
<b>b) Issued, Subscribed and Paid Up</b>		
58,949,337 (58,949,337) Equity shares of ₹ 5 each fully paid up	294.75	294.75
<b>TOTAL</b>	<b>294.75</b>	<b>294.75</b>

**c) Reconciliation of number of shares**

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	₹ in Millions	Number of shares	₹ in Millions
<b>Equity Shares:</b>				
Shares outstanding at the beginning of the year	5,89,49,337	294.75	5,89,49,337	294.75
Shares outstanding at the end of the year	5,89,49,337	294.75	5,89,49,337	294.75

**d) Rights, preferences and restrictions attached to shares**

The Parent 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 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 27, 2016 proposed a Final Dividend of ₹ 0.25 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September 15, 2016. The total dividend appropriation for the year ended March 31, 2016 amounted to ₹ 44.21 million and corporate dividend tax of ₹ 6.39 million.

**e) Shares held by Holding Company**

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
31,813,742 (31,813,742) Equity Shares of ₹ 5 each held by Delta Infosolutions Private Limited	159.07	159.07

**f) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	% of aggregate number of shares	Number of shares	% of aggregate number of shares
Delta Infosolutions Private Limited	3,18,13,742	53.97%	3,18,13,742	53.97%
Dr. Lalit S. Kanodia	32,30,995	5.48%	35,30,995	5.99%
Mrs. Asha L. Kanodia	33,05,258	5.61%	36,05,258	6.12%

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

# Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>(ii) RESERVES AND SURPLUS</b>		
<b>a) CAPITAL RESERVE</b>		
Balance as per last Balance Sheet	3.52	3.52
Add: Addition on account of Scheme of Amalgamation	32.08	-
	35.60	3.52
<b>b) CAPITAL REDEMPTION RESERVE</b>		
Balance as per last Balance Sheet	250.44	250.44
	250.44	250.44
<b>c) SECURITIES PREMIUM</b>		
Balance as per last Balance Sheet	1,080.08	1,080.08
	1,080.08	1,080.08
<b>d) EMPLOYEE STOCK OPTION OUTSTANDING (Refer Note no. 31)</b>		
Balance as per last Balance Sheet	-	6.28
Less: Transfer to General Reserve	-	(6.28)
	-	-
<b>e) FOREIGN EXCHANGE FLUCTUATION RESERVE</b>		
Balance as per last Balance Sheet	140.50	93.94
Add: Exchange fluctuation for current year	41.82	46.56
	182.32	140.50
<b>f) HEDGING RESERVE ACCOUNT (Refer Note no. 27)</b>		
Balance as per last Balance Sheet	77.18	(6.13)
Add: Gain / (Loss) on cash flow hedging derivatives	(19.34)	83.31
	57.84	77.18
<b>g) GENERAL RESERVE</b>		
Balance as per last Balance Sheet	784.77	748.88
Less: As per the Scheme of Amalgamation	(151.09)	-
Add: Transfer from Surplus in Statement of Profit and Loss	-	29.61
Add: Transfer from the Employee Stock Options Outstanding	-	6.28
	633.68	784.77
<b>h) SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
Balance brought forward from last year	1,184.96	900.10
Add: As per the Scheme of Amalgamation	100.13	-
Profit for the year	448.32	432.11
<b>Amount Available for Appropriations</b>	1,733.41	1,332.21
Less: Depreciation pursuant to the transitional provisions as per Companies Act, 2013	-	25.27
<b>Less: Appropriations</b>		
- Dividend on Equity Shares	14.74	38.32
- Interim Dividend on Equity Shares	42.07	39.53
- Tax on Dividend	11.57	14.52
- Transfer to General Reserve	-	29.61
<b>Closing Balance</b>	1,665.03	1,184.96
<b>TOTAL</b>	3,904.99	3,521.45

## Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>4. PREFERENCE SHARES ISSUED BY SUBSIDIARY COMPANIES</b>		
77,175,806 (77,175,806) Compulsorily Convertible Preference Shares of ₹ 10 each with voting rights *	771.76	771.76
<b>TOTAL</b>	<b>771.76</b>	<b>771.76</b>

### Additional Information:

\* **Compulsorily Convertible Preference Shares:** Lumina Datamatics Limited has issued compulsorily convertible preference shares having a par value of ₹10 each. Each holder of the compulsorily convertible preference shares has the right to entitle an annual non-cumulative per share dividend equal to 0.000001% of the price of the preference shares.

**Voting rights:** Each holder of compulsorily convertible preference share is entitled to vote only in respect of those resolutions which directly affect the rights attached to preference shares.

**Conversion/exit terms:** Notwithstanding anything contained herein preference shares shall be compulsorily converted into equity shares of the Company after a period of 20 years from the date of issue of such preference shares.

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>5 LONG TERM BORROWINGS</b>		
<b>a) From Banks</b>		
Secured Loans	246.45	387.50
(External Commercial Borrowings from Citibank N.A. is secured by way of Creation of Mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of Title deeds with Bank, in respect of its Immovable properties being all the piece & parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik). (Terms of Repayment: Repayable in 15 equal quarterly installments of USD 0.62 million over a period of 5 years starting from January 2015 upto July 2018. Rate of Interest: Libor plus 3.00%)		
<b>b) From Directors (Refer Note no. 30)</b>		
Unsecured Loan	100.00	-
(Rate of Interest @ 9%, Terms of Repayment: Repayable in financial year ended March 31, 2018)		
<b>TOTAL</b>	<b>346.45</b>	<b>387.50</b>

# Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>6 DEFERRED TAX BALANCES</b>		
Major components of deferred tax balances consist of the following:		
<b>a) Deferred Tax Liabilities</b>		
Depreciation	36.37	30.90
Others	115.58	108.07
<b>Total</b>	<b>151.95</b>	<b>138.97</b>
<b>b) Deferred Tax Assets</b>		
Disallowance under Income Tax	(43.82)	(64.50)
<b>Total</b>	<b>(43.82)</b>	<b>(64.50)</b>
<b>Deferred Tax Liabilities (Net)</b>	<b>108.13</b>	<b>74.47</b>
<b>7 OTHER LONG-TERM LIABILITIES</b>		
<b>Other Payables:</b>		
- For Capital Goods (Refer Note no. 35)	0.34	0.47
<b>TOTAL</b>	<b>0.34</b>	<b>0.47</b>
<b>8 LONG-TERM PROVISIONS</b>		
<b>Provision for employee benefits (Refer Note no. 28):</b>		
- For Gratuity (Unfunded)	78.20	78.02
- For Leave Encashment (Unfunded)	35.79	36.22
<b>Others:</b>		
- Direct Tax	0.91	-
<b>TOTAL</b>	<b>114.90</b>	<b>114.24</b>
<b>9 SHORT-TERM BORROWINGS</b>		
<b>Other Loans and Advances</b>		
<b>Secured Loans</b>		
From Banks	390.37	379.67
(Working Capital loan from Standard Chartered Bank, Silicon Valley Bank USA and Citibank N.A. is secured by way of First Pari Passu Charge on Hypothecation of Stock, Book Debts and Movable Fixed Assets of the Company both past and present.)		
<b>TOTAL</b>	<b>390.37</b>	<b>379.67</b>



## Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>10 OTHER CURRENT LIABILITIES</b>		
Current Maturity of Long Term Borrowings - Secured	164.30	155.00
Interest Accrued but not due (Refer Note no. 30)	3.64	3.39
Unearned Revenue	65.13	7.23
Advance received from Customers	7.31	1.42
Unpaid Dividend *	20.76	1.63
Statutory Liabilities	80.91	61.59
Other Payables	6.58	6.88
<b>TOTAL</b>	<b>348.63</b>	<b>237.14</b>
* Dividend ₹ 0.15 million (₹ 0.31 million) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2016.		
<b>11 SHORT-TERM PROVISIONS</b>		
<b>Provision for employee benefits:</b>		
- For Gratuity (Unfunded)	9.62	13.17
- For Leave Encashment (Unfunded)	29.53	20.91
<b>Others:</b>		
- Proposed Dividend on Equity Shares	14.74	38.32
- Tax on Equity Dividend	3.00	7.80
- Direct Tax	35.42	-
<b>TOTAL</b>	<b>92.31</b>	<b>80.20</b>

# Notes forming part of the Consolidated Financial Statements

Description	GROSS BLOCK						DEPRECIATION/AMORTISATION						NET BLOCK	
	Balance as on April 1, 2015	Additions during the year / added on Amalgamation	Transfer on Scheme of Amalgamation	(Deductions / Adjustments during the Year	Effect of foreign currency exchange differences	Balance as on March 31, 2016	Balance upto April 1, 2015	Depreciation adjusted against Statement of Profit and Loss	Additions during the year / added on Amalgamation	(Deductions / adjustments during the Year	Effect of foreign currency exchange differences	Balance upto March 31, 2016	Balance as on March 31, 2016	Balance as on March 31, 2015
<b>Tangible Assets</b>														
Land *	607.40	-	-	-	-	607.40	-	-	-	-	-	-	607.40	607.40
Buildings	165.31	42.29	-	-	-	207.60	28.03	-	4.86	-	-	32.89	174.71	137.28
Leasehold Premises	42.19	-	-	-	-	42.19	2.22	-	0.44	-	-	2.66	39.53	39.97
Leasehold Improvements	35.02	68.65	-	-	0.97	104.64	16.23	-	1.78	-	0.63	18.64	86.00	18.79
Machinery and Equipment	261.35	12.92	2.02	(1.89)	(0.95)	273.45	163.17	-	33.20	1.32	0.80	198.49	74.96	98.18
Computer Equipments	483.16	24.45	8.68	17.20	(18.48)	515.01	391.38	-	55.40	17.20	(12.02)	451.96	63.05	91.78
Furniture and Fixtures	289.39	9.75	0.85	2.11	2.01	304.11	176.28	-	24.58	3.00	2.40	206.26	97.85	113.11
Vehicles	30.06	-	-	-	0.08	30.14	14.16	-	3.83	-	0.18	18.17	11.97	15.90
<b>Tangible Assets Total (A)</b>	<b>1,913.88</b>	<b>158.06</b>	<b>11.55</b>	<b>17.42</b>	<b>(16.37)</b>	<b>2,084.54</b>	<b>791.47</b>	<b>-</b>	<b>124.09</b>	<b>21.52</b>	<b>(8.01)</b>	<b>929.07</b>	<b>1,155.47</b>	<b>1,122.41</b>
<b>Previous Year (1)</b>	<b>1,844.62</b>	<b>82.31</b>	<b>-</b>	<b>(20.21)</b>	<b>7.16</b>	<b>1,913.88</b>	<b>639.98</b>	<b>36.26</b>	<b>122.64</b>	<b>(13.35)</b>	<b>5.93</b>	<b>791.47</b>	<b>1,122.41</b>	<b>-</b>
<b>Intangible Assets</b>														
Internal Developed Software	20.95	-	-	-	0.68	21.63	20.95	-	-	-	0.68	21.63	-	-
Other Software	485.69	88.88	0.12	12.18	10.86	597.73	389.00	-	66.99	12.87	10.38	479.24	118.49	96.69
Non-Compete Fees	-	36.00	-	-	-	36.00	-	-	6.34	-	-	6.34	29.66	-
Copyrights	-	10.00	-	-	-	10.00	-	-	1.65	-	-	1.65	8.35	-
Customer Contracts	147.55	-	-	-	8.85	156.40	88.72	-	40.54	-	5.82	135.08	21.32	58.83
Letter of Credit	-	-	-	0.18	-	0.18	-	-	-	0.09	-	0.09	0.09	-
Other Intangible Assets (Including Goodwill)	35.40	124.05	-	14.59	0.53	174.57	7.19	-	29.67	7.49	0.03	44.38	130.19	28.21
Goodwill on Consolidation	1,075.43	89.08	-	(137.87)	65.26	1,091.90	-	-	-	-	-	-	1,091.90	1,075.43
<b>Intangible Assets Total (B)</b>	<b>1,765.02</b>	<b>348.01</b>	<b>0.12</b>	<b>(110.92)</b>	<b>86.18</b>	<b>2,083.41</b>	<b>505.86</b>	<b>-</b>	<b>145.19</b>	<b>20.45</b>	<b>16.91</b>	<b>688.41</b>	<b>1,400.00</b>	<b>1,259.16</b>
<b>Previous Year (2)</b>	<b>1,678.74</b>	<b>53.52</b>	<b>-</b>	<b>-</b>	<b>32.75</b>	<b>1,765.02</b>	<b>416.15</b>	<b>1.24</b>	<b>87.22</b>	<b>-</b>	<b>1.25</b>	<b>505.86</b>	<b>1,259.16</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>3,678.90</b>	<b>506.07</b>	<b>11.67</b>	<b>(93.50)</b>	<b>69.81</b>	<b>4,172.95</b>	<b>1,297.33</b>	<b>-</b>	<b>269.28</b>	<b>41.97</b>	<b>8.90</b>	<b>1,617.48</b>	<b>2,555.47</b>	<b>2,381.57</b>
<b>Previous Year (1+2)</b>	<b>3,523.36</b>	<b>135.83</b>	<b>-</b>	<b>(20.21)</b>	<b>39.91</b>	<b>3,678.90</b>	<b>1,056.13</b>	<b>37.50</b>	<b>209.86</b>	<b>(13.35)</b>	<b>7.18</b>	<b>1,297.33</b>	<b>2,381.57</b>	<b>109.69</b>
<b>Capital Work-In-Progress</b>													<b>18.00</b>	<b>-</b>

\* Note:

- (1) The above amount includes Freehold land of ₹ 267.05 million (₹ 267.05 million) and Leasehold land of ₹ 340.35 million (₹ 340.35 million) which is considered as perpetual lease.
- (2) Gross Block includes ₹ 317.23 million (₹ 317.23 million) being the amount added on revaluation of Land in the F.Y. 2008-09, based on report issued by approved independent valuer.
- (3) Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor at Nashik is secured by way Creation of Mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of Title deeds with Bank.

# Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>13 NON-CURRENT INVESTMENTS</b>		
<b>UNQUOTED (Trade) (At Cost)</b>		
<b>- Investments in Capital of Subsidiaries Pending Allotment</b>		
Lumina Datamatics Limited	312.00	-
LD Publishing & eRetail Limited	0.50	-
<b>- Investment in Equity Instruments</b>		
Mypet Harmony LLC	0.60	-
<b>UNQUOTED (Non-Trade) (At Cost)</b>		
<b>- Investments in Debentures</b>		
5,000 (5,000) debentures of ₹ 1,000 each of India Infoline Investment Services Limited @ 11.70%	5.00	5.00
30 (30) debentures of ECL Finance Limited - E6F401 - NCD	3.05	3.05
Nil (200) debentures of ₹ 100,000 each of Edelweiss Finance & Investments Limited @ 10.25% 15M - NCD	-	20.00
<b>QUOTED (Non-Trade) (At Cost)</b>		
<b>- Investment in units of Mutual Funds fully paid</b>		
1,000,000 (1,000,000) Units of Birla Sun Life Fixed Term Plan - Series GI (1185 Days) - Growth (Face Value of ₹ 10 each)	10.00	10.00
2,322,330 (2,322,330) Units of HDFC Short Term Opportunities Fund - Growth (Face Value of ₹ 10 each)	32.02	32.02
1,000,000 (1,000,000) Units of Reliance FHF XXIV Series 3 - Growth (Face Value of ₹ 10 each)	10.00	10.00
2,500,000 (2,500,000) Units of Reliance FHF XXIV Series 11 - Growth (Face Value of ₹ 10 each)	25.00	25.00
1,000,000 (1,000,000) Units of ICICI Prudential Fixed Maturity Plan - Series 69 - 366 days Plan A (Face Value of ₹ 10 each)	10.00	10.00
2,500,000 (2,500,000) Units of Birla Sun Life Interval Income Fund-Annual Plan-X-Growth (Face Value of ₹ 10 each)	25.00	25.00
1,000,000 (1,000,000) Units of TATA Fixed Maturity Plan Series - 43 Scheme A - Growth (370 days) (Face Value of ₹ 10 each)	10.00	10.00
893,974 (893,974) Units of Birla Sun Life India Reforms Fund Growth (Face Value of ₹ 10 each)	13.25	13.25
58,813 (58,813) Units of HDFC Prudence Fund - Growth (Face Value of ₹ 10 each)	22.64	22.64
54,737 (54,737) Units of Tata Balanced Fund - Growth (Face Value of ₹ 100 each)	9.39	9.39
448,764 (448,764) Units of L&T India Prudence Fund - Growth (Face Value of ₹ 10 each)	8.75	8.75
2,000,000 (2,000,000) Units of ICICI Prudential FMP Series 73 - 1140 Days Plan E Growth (Face Value of ₹ 10 each)	20.00	20.00
1,018,717 (1,018,717) Units of IIFL Income Opportunities Fund - AIF - Growth (Face Value of ₹ 0.8916 (₹ 10) each)	1.72	10.50
<b>- Investment in Equity Shares</b>		
900 (900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.51	0.51
Less: Provision for diminution in value of Investment	0.48	0.49
	<b>0.03</b>	<b>0.02</b>

# Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
6,838 (6,838) fully paid Equity Shares of ₹ 2 each of Wipro Limited	3.74	3.74
Less: Provision for diminution in value of Investment	-	1.15
	3.74	2.59
5,000 (5,000) fully paid equity shares of ₹ 1 each of Vikas WSP Limited	0.55	0.55
Less: Provision for diminution in value of Investment	0.52	0.50
	0.03	0.05
400 (400) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.21	0.21
56 (56) fully paid Equity Shares of Dana Holding Corporation	0.39	0.37
8,998 (8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.20	2.20
38,767 (38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	3.49	3.49
5,000 (5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	1.22	1.22
1,200 (1,200) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	1.23	1.23
35,200 (35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	13.04	28.33
Less: Provision for diminution in value of Investment	6.57	5.62
	6.47	22.71
<b>TOTAL</b>	<b>537.93</b>	<b>268.69</b>
<b>Aggregate of Quoted Investments</b>	<b>224.35</b>	<b>248.40</b>
<b>Market Value of Quoted Investments</b>	<b>251.57</b>	<b>268.84</b>
<b>Aggregate of Unquoted Investments</b>	<b>321.15</b>	<b>28.05</b>
<b>Aggregate of Provision for diminution in value</b>	<b>7.57</b>	<b>7.76</b>
<b>14 LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)</b>		
Advance Income Tax (Net)	87.44	47.96
Advance Tax - FBT (Net)	-	0.11
MAT Credit Entitlement	103.14	67.61
Security Deposits	76.04	83.08
Service tax receivable	55.52	66.20
Prepaid Expenses	0.32	1.16
Advance to Employees	5.99	0.62
Other Receivables	1.76	1.77
Fair Value of Outstanding Forward Contracts	12.78	25.82
<b>TOTAL</b>	<b>342.99</b>	<b>294.33</b>

## Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>15 OTHER NON-CURRENT ASSETS</b>		
<b>(Unsecured, considered good)</b>		
Non-Current Bank Deposits (original maturity of more than 12 months) *	-	11.80
Interest accrued but not due on deposits with bank	-	2.31
<b>TOTAL</b>	-	14.11
* All the above Nil (₹ 11.80 million) are marked as Lien for Guarantees issued by Banks on behalf of the Group.		
<b>16 CURRENT INVESTMENTS</b>		
<b>QUOTED (Non-Trade) (At Cost or Fair Value, whichever is lower)</b>		
<b>- Investment in Liquid Mutual Funds fully paid</b>		
986,236 (986,236) Units of ICICI Prudential Short Term Regular Plan - Growth (Face Value of ₹ 10 each)	26.10	26.10
Nil (131) Units of Birla Sun Life Floating Rate Fund - STP - DDR (Face Value of ₹ 100 each)	-	0.01
88,418 (30,668) Units of Reliance Liquid Fund TP - DDR (Face Value of ₹ 1,000 each)	135.17	46.88
660,925 (660,925) Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each)	10.00	10.00
418,520 (418,520) Units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	20.74	19.21
Nil (1,000,000) Units of HDFC FMP Series 29 - 447 Days - Reg - Growth (Face Value of ₹ 10 each)	-	10.00
Nil (1,000,000) Units of DWS Fixed Maturity Plan Series 54-392 days Growth (Face Value of ₹ 10 each)	-	10.00
Nil (1,890,623) Units of Kotak FMP Series 145-390 days - Growth (Face Value of ₹ 10 each)	-	18.91
8,730 (8,730) Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each)	19.94	19.94
1,284,891 (1,284,891) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	27.00	27.00
490,259 (490,259) Units of HDFC Corporate Debt Opportunities Fund -Reg Growth (Face Value of ₹ 10 each)	5.00	5.00
Nil (2,000,000) Units of ICICI Prudential FMP Series 73-376 Days Plan Q Growth (Face Value of ₹ 10 each)	-	20.00
1,363 (Nil) Units of Reliance Liquid Fund - TP - Growth (Face Value of ₹ 1,000 each)	5.00	-
500,000 (500,000) Units of ICICI Prudential FMP Series 72-823 Days Plan H Growth (Face Value of ₹ 10 each)	5.00	5.00
250,000 (250,000) Units of HDFC Fixed Maturity Plans 840 Days - Series 29 - Growth (Face Value of ₹ 10 each)	2.50	2.50
Nil (500,000) Units of DWS Fixed Maturity Plan - Series 57-384 Days Growth (Face Value of ₹ 10 each)	-	5.00
Nil (26,764) Units of Birla Sun Life Floating Rate Fund - STP - IP Growth (Face Value of ₹ 100 each)	-	4.97
Nil (1,139,627) Units of Birla Sun Life Short Term Fund - Reg - MDR (Face Value of ₹ 10 each)	-	13.43



## Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
1,950,054 (1,444,398) Units of Templeton India Ultra Short Bond Fund - Super - IP -Growth (Face Value of ₹ 10 each)	<b>35.18</b>	25.18
122,737 (17,579) Units of Birla Sunlife Saving Fund - Growth (Face Value of ₹ 100 each)	<b>34.61</b>	4.61
Nil (2,236,780) Units of HDFC Short Term Opportunities Fund - MDR (Face Value of ₹ 10 each)	-	22.70
447,908 (1,018,990) Units of Birla Sunlife Short Term Opportunities Fund - Growth (Face Value of ₹ 10 each)	<b>9.45</b>	21.50
658,448 (579,971) Units of Birla Sun Life Saving Fund - DDR (Face Value of ₹ 100 each)	<b>66.04</b>	62.40
Nil (54,708) Units of Axis Bank Debt Fund - Direct Plan - Growth (Face Value of ₹ 1,000 each)	-	70.00
6,249,137 (5,936,358) Units of Axis Short Term Fund - WDR (Face Value of ₹ 10 each)	<b>63.39</b>	60.23
5,240,220 (4,986,049) Units of ICICI Prudential Short Term Plan - Reg - FDR (Face Value of ₹ 10 each)	<b>63.23</b>	60.15
342,037 (Nil) Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	<b>76.50</b>	-
3,896 (Nil) Units of Taurus Short Term Income Fund - Direct Plan - Growth (Face Value of ₹ 1,000 each)	<b>10.00</b>	-
2,710 (Nil) Units of Axis Liquid Fund - DDR (Face Value of ₹ 1,000 each)	<b>2.71</b>	-
1,291,273 (Nil) Units of Reliance Medium Term Fund - Direct Plan Growth Plan - Growth (Face Value of ₹ 10 each)	<b>30.00</b>	-
107,636 (Nil) Units of ICICI Prudential Flexible Income - Regular Plan - Growth (Face Value of ₹ 100 each)	<b>30.00</b>	-
393,749 (Nil) Units of HDFC Floating Rate Income Fund - STF - WP - Growth (Face Value of ₹ 10 each)	<b>10.00</b>	-
878,012 (Nil) Units of HDFC Floating Rate Income Fund - STF- WP - DDR (Face Value of ₹ 10 each)	<b>8.85</b>	-
40,554 (Nil) Units of Birla Cash Plus Fund - DDR (Face Value of ₹ 100 each)	<b>4.06</b>	-
500,000 (Nil) Units of UTI – Fixed Term Income Fund Series – XXII – VI (1098 days) - Growth (Face Value of ₹ 10 each)	<b>5.00</b>	-
384,298 (Nil) Units of Templeton India Ultra Short Bond Fund - Growth (Face Value of ₹ 10 each)	<b>7.60</b>	-
26,621 (Nil) Units of Birla Sun Life Saving Fund - Growth (Face Value of ₹ 100 each)	<b>7.60</b>	-
467,849 (Nil) Units of Kotak Equity Saving Fund - Growth (Face Value of ₹ 10 each)	<b>5.00</b>	-
526,614 (Nil) Units of Edelweiss Absolute Return Fund - Growth (Face Value of ₹ 10 each)	<b>9.59</b>	-
3,000,000 (Nil) Units of ICICI Prudential FMP Series 78 - 95 Days Plan M (Face Value of ₹ 10 each)	<b>30.00</b>	-
<b>TOTAL</b>	<b>765.26</b>	<b>570.72</b>
<b>Aggregate of Quoted Investments</b>	<b>765.26</b>	<b>570.72</b>
<b>Market Value of Quoted Investments</b>	<b>802.15</b>	<b>597.69</b>

## Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>17 TRADE RECEIVABLES (Refer Note no. 36)</b>		
<b>Unsecured</b>		
<b>Over six months from the date they were due for payment</b>		
- Considered Good	309.78	189.67
- Considered Doubtful	15.58	34.93
<b>Others</b>		
- Considered Good	1,539.74	1,457.97
	<b>1,865.10</b>	<b>1,682.57</b>
Less: Provision for Doubtful Debts	15.58	34.93
<b>TOTAL</b>	<b>1,849.52</b>	<b>1,647.64</b>
<b>18 CASH AND BANK BALANCES</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
<b>BANK BALANCES</b>		
- In Current Accounts	521.51	531.62
- In Fixed Deposit Accounts	0.27	0.24
- In Exchange Earner's Foreign Currency Account	91.40	115.23
- In Margin Accounts (original maturity of less than 3 months) *	0.54	1.17
Cash on Hand	1.41	1.39
Cheques on Hand	0.19	-
Foreign Currency on Hand	0.33	-
	<b>615.65</b>	<b>649.65</b>
<b>OTHER BANK BALANCES</b>		
- In Margin Accounts (original maturity of more than 3 months and less than 12 months) *	4.07	65.18
- In Unclaimed Dividend Accounts	8.13	1.61
<b>TOTAL</b>	<b>12.20</b>	<b>66.79</b>
	<b>627.85</b>	<b>716.44</b>
* All the above ₹ 4.61 million (₹ 66.35 million) are marked as Lien for Guarantees issued by Banks on behalf of the Group.		

# Notes forming part of the Consolidated Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)		
Security Deposits	11.09	8.04
MAT Credit Entitlement	2.62	13.56
Inter-Corporate Deposits	10.00	37.00
Service Tax Receivable	20.34	27.06
Prepaid Expenses	140.99	109.90
Advance to Vendors	0.97	1.19
Advance to Employees	25.81	18.36
Other Receivables	25.66	23.61
Fair Value of Outstanding Forward Contracts (Refer Note no. 27)	49.99	53.08
<b>Other Advances</b>		
- Others, Considered Good	6.27	9.72
- Considered Doubtful	7.00	4.15
	<b>300.74</b>	<b>305.67</b>
Less: Provision for Bad and Doubtful Advances	7.00	11.15
<b>TOTAL</b>	<b>293.74</b>	<b>294.52</b>
<b>20 OTHER CURRENT ASSETS</b>		
Interest Accrued on Investments	0.59	0.85
Interest Accrued but not due on Deposits with Bank	0.26	0.19
Unbilled Revenue	384.36	399.08
Contractually Reimbursable Expenses	0.83	1.29
<b>TOTAL</b>	<b>386.04</b>	<b>401.41</b>

# Notes forming part of the Consolidated Financial Statements

	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>21 REVENUE FROM OPERATIONS</b>		
- Sale of Products	94.85	127.45
- Sale of Services	8,066.93	8,152.50
<b>TOTAL</b>	<b>8,161.78</b>	<b>8,279.95</b>
<b>22 OTHER INCOME</b>		
Interest from Banks and Others	6.33	10.80
<b>Dividend Income:</b>		
- Current Investments - Non Trade	16.06	18.43
- Non-Current Investments - Non Trade	-	0.40
<b>Profit on Sale of Investment:</b>		
- Current - Non Trade	8.21	17.80
- Non-Current - Non Trade	3.35	8.62
Refund from Service Tax	-	6.97
Miscellaneous Income	18.53	2.13
Exchange Fluctuation (Net)	81.01	0.53
Sundry Balances Written back (Net)	2.43	0.95
<b>TOTAL</b>	<b>135.92</b>	<b>66.63</b>
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, Wages, Bonus and Allowances	4,549.82	4,092.17
Contribution to Provident Fund and Other Funds (Refer Note no. 28)	249.63	193.46
Share Based Compensation (Refer Note no. 31)	2.65	0.68
Staff Welfare Expenses	170.78	156.01
Directors Remuneration (Refer Note no. 30)	83.13	99.67
<b>TOTAL</b>	<b>5,056.01</b>	<b>4,541.99</b>
<b>24 FINANCE COST</b>		
<b>Interest Expense</b>		
- To Financial Institutions and Banks	61.33	56.55
- To Others (Refer Note no. 30)	5.28	10.99
<b>TOTAL</b>	<b>66.61</b>	<b>67.54</b>

# Notes forming part of the Consolidated Financial Statements

	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>25 OTHER EXPENSES</b>		
Knowledge Associates / Vendor Charges (Refer Note no. 30)	<b>384.21</b>	399.80
Electricity Expenses	<b>110.56</b>	108.47
Technical Fees	<b>616.90</b>	1,085.89
Travelling Expenses	<b>376.50</b>	383.18
Link Charges	<b>36.46</b>	31.11
Rent	<b>180.95</b>	173.86
Rates and Taxes	<b>23.93</b>	20.29
Communication Expenses	<b>74.95</b>	67.18
Legal and Professional Charges	<b>129.39</b>	117.92
Remuneration to Auditors	<b>12.22</b>	11.92
Repairs and Maintenance:		
- Building	<b>15.12</b>	16.51
- IT and Machinery	<b>85.22</b>	91.18
- Others	<b>44.07</b>	45.82
Insurance Premium	<b>29.27</b>	23.85
Sales Commission and Marketing Expenses	<b>8.02</b>	18.87
Board Sitting Fees	<b>0.93</b>	0.61
Advertisement and Sales Promotion Expenses	<b>34.84</b>	35.03
Lease Rent and Hire Charges	<b>18.68</b>	21.59
Entertainment Expenses	<b>11.00</b>	3.98
Miscellaneous Expenses	<b>10.06</b>	11.78
Expenditure on CSR Activities	<b>1.92</b>	2.32
Provision for Doubtful Debts	<b>-</b>	6.72
Loss on Sale of Fixed Assets	<b>3.73</b>	4.74
Bad Debts Written Off	<b>6.56</b>	6.90
Provision for Diminution in value of Investments	<b>5.85</b>	5.72
Bank and Other Charges	<b>7.58</b>	5.47
Recruitment Expenses	<b>25.07</b>	32.23
Subscription Charges	<b>15.23</b>	14.79
Printing and Stationery	<b>28.73</b>	25.79
Security Charges	<b>16.28</b>	14.53
<b>TOTAL</b>	<b>2,314.23</b>	2,788.05

# Notes forming part of the Consolidated Financial Statements

## 26 CONTINGENT LIABILITY

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:

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>(a) Claims against the Group not acknowledged as debt:</b>		
(i) Income Tax matters	15.06	4.51
(ii) Sales Tax matters	5.07	5.07
(iii) Service Tax matters	6.93	-
<b>(b) Capital and other commitments:</b>		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances).	69.93	-
(ii) Estimated amount payable under business development agreement USD 0.26 million equivalent to ₹ 16.96 million (USD 0.26 million equivalent to ₹ 16.00 million) to business consultant.		

- 27** 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 table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
Not later than one month	102.45	101.34
Later than one month and not later than three months	224.98	201.08
Later than three months and not later than one year	885.97	860.28
Later than one year	318.77	635.58
<b>Total</b>	<b>1,532.17</b>	<b>1,798.28</b>

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

Foreign Currency	March 31, 2016			March 31, 2015		
	No. of Contracts	Notional amount of Currency Forward contracts ₹ in Millions	Fair Value gain / (loss) ₹ in Millions	No. of Contracts	Notional amount of Currency Forward contracts ₹ in Millions	Fair Value gain / (loss) ₹ in Millions
U.S. Dollar	165	13.16	16.76	193	15.83	16.19
Euro	57	2.32	5.04	67	3.81	34.84
Sterling Pound	93	3.78	36.04	44	2.20	26.15
<b>Total</b>			<b>57.84</b>			<b>77.18</b>

Net profit / (loss) on derivative instruments of ₹ 57.84 million (₹ 77.18 million) recognised in Hedging Reserve Account as of March 31, 2016, is expected to be reclassified to the Statement of Profit and Loss by March 31, 2018. The foreign currency exposures that are not hedged by a derivative instrument or otherwise is Nil (₹ 31.75 million).

The Group has applied the principles of Cash Flow Hedge Accounting as per Accounting Standard (AS) - 30, Financial Instrument: Recognition and Measurement, along with limited revision to other accounting standards, issued by the Institute of Chartered Accountants of India. AS-30, along with limited revision to the other accounting standards, have not currently been notified by the National Advisory Council for Accounting Standard (NACAS) pursuant to the Companies(AS) rules, 2006 as per section 211(3C) of the Companies Act, 1956.



# Notes forming part of the Consolidated Financial Statements

## 28 EMPLOYEE BENEFITS

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

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>Defined Contribution Plan</b>		
<b>I. Charge to the Statement of Profit and Loss based on contributions:</b>		
Employers Contribution to Provident Fund	105.07	90.36
Employers Contribution to Other Foreign Defined Contribution Plans	123.80	80.12
Employers Contribution to Employees' State Insurance	12.49	15.72
Employers Contribution to Employees' Pension Scheme 1995	7.68	6.14
Employers Contribution to Labour Welfare Fund and Others	0.59	1.12
Included in Contribution to Provident Fund and Other Funds (Refer Note no. 23)	249.63	193.46
	<b>Gratuity (Unfunded)</b>	
<b>Defined Benefit Plan</b>		
<b>I. Disclosures for defined benefit plans based on actuarial reports as on March 31, 2016:</b>		
<b>A. Change in Defined Benefit Obligation:</b>		
Present Value of Defined Benefit Obligation as at the beginning of the year	92.81	73.72
Interest Cost	7.01	6.72
Current Service Cost	11.49	11.80
Benefits Paid	(18.28)	(11.04)
Actuarial (Gain) / Loss	(5.33)	11.61
Present Value of Defined Benefit Obligation as at the end of the year	87.70	92.81
Included in Long-Term and Short-Term Provisions (Refer Note no. 8 and 11)		
<b>B. Changes in Fair Value of Assets:</b>		
Fair Value of Plan Asset as at beginning of the year	1.62	1.48
Expected return on Plan Assets	-	0.14
Contributions by the employer	18.28	11.04
Benefits Paid	(19.90)	(11.04)
Actuarial Gain / (Loss) (P.Y. ₹ 4,451)	-	0.00
Fair Value of Plan Asset as at end of the year	-	1.62
<b>C. Amount recognised in the Balance Sheet:</b>		
Present value of defined benefit obligation as at end of the year	(87.70)	(92.81)
Fair Value of Plan Assets at the end of the year	-	1.62
Net Asset / (Liability) recognised in Balance Sheet (Refer Note no. 8 and 11)	(87.70)	(91.19)
<b>D. Expenses recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	11.49	11.80
Interest Cost	7.01	6.72
Expected return on Plan Assets	-	(0.13)
Actuarial (Gain) / Loss	(5.33)	11.61
Total Expenses / (Income) recognised in the Statement of Profit and Loss	13.17	30.00
Included in Salaries, Wages, Bonus and Allowances (Refer Note no. 23)		
<b>E. Principal Actuarial Assumptions used:</b>		
1. Discount Rate (per annum)	7.80%	8.04%
2. Salary Escalation	4.50%	4.50%
3. Mortality table	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)
<b>F. Experience Adjustments:</b>		
Experience Adjustments on Plan Liability (Gain) / Loss	(6.82)	7.75

## Notes forming part of the Consolidated Financial Statements

### Note:

Provision towards liability for Leave Encashment made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value liability is ₹ 65.31 million (₹ 57.12 million) based upon following assumptions:

	March 31, 2016	March 31, 2015
Discount Rate	7.80%	8.04%
Salary Escalation	4.50%	4.50%

## 29 SEGMENT INFORMATION

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

Performance of Business Segment is as follows:

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>Revenue</b>		
Sale to External Customers	8,161.78	8,279.95
Segment Result Profit	396.79	573.91
Other Income	184.51	66.63
Direct Taxes	137.55	155.40
Profit from Ordinary Activities	395.16	485.14
Net Profit	443.75	485.14
<b>Other Segment Information</b>		
Capital Expenditure (Net)	414.37	155.39
Depreciation and Amortisation	269.28	209.86
Non Cash Expenses other than Depreciation (Net)	16.14	23.13
<b>Particulars of Segment Assets and Liabilities</b>		
Segment Assets	5,793.79	5,531.22
Investments	1,303.19	839.42
Bank Deposits	4.89	78.39
Other Assets	274.93	312.79
<b>Total Assets</b>	<b>7,376.80</b>	<b>6,761.82</b>
Segment Liabilities	1,750.15	1,681.80
Other Liabilities	182.05	122.22
<b>Total Liabilities</b>	<b>1,932.20</b>	<b>1,804.02</b>

### Geographic Segment

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

Geographic Location	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
USA	5,527.72	6,101.48
Europe	1,472.81	1,753.44
Rest of World	1,161.25	425.03
<b>Total</b>	<b>8,161.78</b>	<b>8,279.95</b>

# Notes forming part of the Consolidated Financial Statements

## 30 RELATED PARTY DISCLOSURES

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

### (A) Key Managerial Personnel

Dr. Lalit S. Kanodia  
 Mr. Rahul L. Kanodia  
 Mr. Sameer L. Kanodia  
 Mr. Vidur V. Bhogilal  
 Mr. Michael Thuleweit  
 Mr. Munwar Shariff (till November 06, 2015)  
 Mr. Vijay Iyer (till November 06, 2015)  
 Ms. Sivakameswari Viswanathan  
 Mr. Kapilanandan Viswanathan  
 Mr. Krishna Tewari  
 Ms. Divya Kumat  
 Mr. Siddharth B. Saboo (w.e.f. November 16, 2015)  
 Mr. David Schmittlein  
 Mr. Srdan Prastalo (w.e.f. August 27, 2015)  
 Mr. Ashish Jain  
 Mr. Jayaprakash Kalappan (till August 04, 2015)

### (B) Relatives Of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel

Mrs. Asha L. Kanodia  
 Mrs. Aneesha Dalmia  
 Mrs. Priyadarshini Kanodia  
 Mr. Vidur V. Bhogilal (w.e.f September 22, 2015)  
 Datamatics Staffing Services Limited  
 Datamatics Employees Welfare Trust  
 Datamatics Financial Services Limited  
 Amon Technologies Private Limited  
 Datamatics Management Services LLP  
 Anemone Management Consultancy Private Limited  
 Latasha Consultancy Services Private Limited  
 Datascan Services (Partnership Firm)

### (C) Holding Company

Delta Infosolutions Private Limited

### (D) Enterprise having significant influence

JM Financial Trustee Company Private Limited  
 NEA Indo - US Venture Capital LLC

## Notes forming part of the Consolidated Financial Statements

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

(₹ In Million)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Technical Fees</b>	-	-	8.72	10.57	-	-	-	-
Datamatics Staffing Services Limited	-	-	8.72	10.57	-	-	-	-
<b>Managerial Remuneration</b>	73.04	92.92	-	-	-	-	-	-
Dr. Lalit S. Kanodia	6.27	5.83	-	-	-	-	-	-
Mr. Rahul L. Kanodia	8.49	8.46	-	-	-	-	-	-
Mr. Vidur V. Bhogilal	4.71	5.04	-	-	-	-	-	-
Mr. Sameer L. Kanodia	4.73	4.93	-	-	-	-	-	-
Mr. David Schmittlein	2.23	-	-	-	-	-	-	-
Mr. Michael Thuleweit	-	15.29	-	-	-	-	-	-
Mr. Munwar Shariff	-	4.19	-	-	-	-	-	-
Mr. Vijay Iyer	22.26	23.92	-	-	-	-	-	-
Ms. Sivakameswari Viswanathan	8.64	8.89	-	-	-	-	-	-
Mr. Kapilanandan Viswanathan	8.64	8.64	-	-	-	-	-	-
Mr. Krishna Tewari	7.07	7.73	-	-	-	-	-	-
<b>Salaries</b>	12.76	12.75	1.94	1.90	-	-	-	-
Mrs. Priyadarshini Kanodia	-	-	1.94	1.90	-	-	-	-
Ms. Divya Kumari	5.36	4.07	-	-	-	-	-	-
Mr. Siddharth B. Saboo	1.32	-	-	-	-	-	-	-
Mr. Ashish Jain	6.08	6.17	-	-	-	-	-	-
Mr. Jayaprakash Kalappan	-	2.51	-	-	-	-	-	-
<b>Commission</b>	9.00	6.00	0.20	0.13	-	-	-	-
Dr. Lalit S. Kanodia	4.50	3.00	-	-	-	-	-	-
Mr. Rahul L. Kanodia	4.50	3.00	-	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	0.20	0.13	-	-	-	-
<b>Proposed Dividend</b>	1.18	4.60	1.21	3.50	7.95	20.68	-	-
Dr. Lalit S. Kanodia	0.81	2.49	-	-	-	-	-	-
Mr. Rahul L. Kanodia (₹ 52 (₹ 135))	0.00	0.00	-	-	-	-	-	-
Mr. Vidur V. Bhogilal	-	1.15	0.38	-	-	-	-	-
Mr. Sameer L. Kanodia	0.37	0.96	-	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	0.83	2.54	-	-	-	-
Mrs. Priyadarshini Kanodia	-	-	-	0.96	-	-	-	-
Delta Infosolutions Private Limited	-	-	-	-	7.95	20.68	-	-
<b>Interim Dividend</b>	2.36	2.48	2.41	1.89	15.91	11.13	-	-
Dr. Lalit S. Kanodia	1.62	1.34	-	-	-	-	-	-
Mr. Rahul L. Kanodia (₹ 104 (₹ 74))	0.00	0.00	-	-	-	-	-	-
Mr. Vidur V. Bhogilal	-	0.62	0.76	-	-	-	-	-
Mr. Sameer L. Kanodia	0.74	0.52	-	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	1.65	1.37	-	-	-	-
Mrs. Priyadarshini Kanodia	-	-	-	0.52	-	-	-	-
Delta Infosolutions Private Limited	-	-	-	-	15.91	11.13	-	-
<b>Sitting Fees</b>	-	-	0.18	0.10	-	-	-	-
Mrs. Asha L. Kanodia	-	-	0.18	0.10	-	-	-	-
<b>Recruitment Expenses</b>	-	-	0.34	0.42	-	-	-	-
Datamatics Staffing Services Limited	-	-	0.34	0.42	-	-	-	-

# Notes forming part of the Consolidated Financial Statements

(₹ In Million)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
<b>Legal and Professional Fees</b>	-	-	0.95	0.29	-	-	-	-
Datamatics Financial Services Limited	-	-	0.28	0.29	-	-	-	-
Mrs. Aneesha Dalmia	-	-	0.67	-	-	-	-	-
<b>Other Income</b>	-	-	48.59	-	-	-	-	-
Datamatics Employees Welfare Trust	-	-	48.59	-	-	-	-	-
<b>Interest Expenses</b>	0.80	-	0.30	-	-	-	-	-
Dr. Lalit S. Kanodia	0.25	-	-	-	-	-	-	-
Mr. Sameer L. Kanodia	0.55	-	-	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	0.30	-	-	-	-	-
<b>Loan from Directors</b>	72.80	-	27.20	-	-	-	-	-
Dr. Lalit S. Kanodia	22.80	-	-	-	-	-	-	-
Mr. Sameer L. Kanodia	50.00	-	-	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	27.20	-	-	-	-	-
<b>Preference Shares at the end of the Year</b>	-	-	-	-	-	-	771.75	771.75
JM Financial Trustee Company Private Limited	-	-	-	-	-	-	600.28	600.28
NEA Indo - US Venture Capital LLC	-	-	-	-	-	-	171.47	171.47
<b>Loans and Advances Repaid during the year</b>	-	-	62.69	0.62	-	-	-	-
Datamatics Employees Welfare Trust	-	-	62.69	0.62	-	-	-	-
<b>Loans and Advances Given during the year</b>	-	-	-	0.02	-	-	-	-
Datamatics Employees Welfare Trust	-	-	-	0.02	-	-	-	-
<b>Payables</b>	82.53	6.00	27.76	-	-	-	-	-
Dr. Lalit S. Kanodia	27.53	3.00	-	-	-	-	-	-
Mr. Rahul L. Kanodia	4.50	3.00	-	-	-	-	-	-
Mr. Sameer L. Kanodia	50.50	-	-	-	-	-	-	-
Mrs. Asha Kanodia	-	-	27.67	-	-	-	-	-
Datamatics Financial Services Limited	-	-	0.02	-	-	-	-	-
Datamatics Staffing Services Limited	-	-	0.07	-	-	-	-	-
<b>Receivables</b>	-	-	0.07	62.89	-	-	-	-
Datamatics Financial Services Limited	-	-	0.07	0.20	-	-	-	-
Datamatics Employees Welfare Trust	-	-	-	62.69	-	-	-	-

**Note:**

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

## 31 EMPLOYEE STOCK OPTION SCHEME

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

During the year, an amount of ₹ 2.65 million (₹ 0.68 million) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus and Allowances and the balance has been disclosed under Reserves and Surplus as reduction from Employee Stock Option Outstanding.

# Notes forming part of the Consolidated Financial Statements

## 32 EARNINGS PER SHARE

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

	March 31, 2016	March 31, 2015
(a) Net Profit after taxation attributable to equity shareholders (₹ in Millions)	<b>448.32</b>	432.11
(b) Extraordinary Item	<b>48.59</b>	-
(c) Net Profit Before Extraordinary Item (₹ in Millions)	<b>399.73</b>	432.11
(d) Weighted average number of Outstanding equity shares considered for Basic EPS	<b>5,89,49,337</b>	5,89,49,337
(e) Dilutive Impact on Net Profit after Minority Interest on potential conversion of outstanding Preference Shares (₹ in Millions)	<b>8.87</b>	1.70
(f) Net Profit / (Loss) after taxation attributable to equity shareholders on potential conversion of outstanding Preference Shares (₹ in Millions)	<b>439.45</b>	430.40
(g) Net Profit / (Loss) after taxation before extraordinary item attributable to equity shareholders on potential conversion of outstanding Preference Shares (₹ in Millions)	<b>390.85</b>	430.40
(h) Earnings per share (Before Extraordinary Item) (Nominal value per share ₹ 5 each)		
Basic earning per share (in ₹) (c/d)	<b>6.78</b>	7.33
Diluted earning per share (in ₹) (g/d)	<b>6.63</b>	7.30
(i) Earnings per share (After Extraordinary Item) (Nominal value per share ₹ 5 each)		
Basic earning per share (in ₹) (a/d)	<b>7.61</b>	7.33
Diluted earning per share (in ₹) (f/d)	<b>7.45</b>	7.30

## 33 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 25. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable in respect of residential and office premises:

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
Amount due within one year from the balance sheet date	<b>109.43</b>	136.86
Amount due in the period between one year and five years	<b>104.03</b>	191.15
Amount due later than five years	<b>6.44</b>	26.23

The Following Lease payments are recognised in the Statement of Profit and Loss:

Lease Rent	<b>180.95</b>	173.86
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### Note:

- Future lease payments are determined on the basis of terms of the lease agreement.
- At the expiry of term of the agreement, the Group has an option either to return the leased assets or extend the term by giving a notice in writing.



# Notes forming part of the Consolidated Financial Statements

## 34 ADDITIONAL INFORMATION, AS REQUIRED TO CONSOLIDATED FINANCIAL STATEMENTS TO SCHEDULE III TO THE COMPANIES ACT, 2013, OF ENTERPRISES CONSOLIDATED AS SUBSIDIARY / ASSOCIATES / JOINT VENTURES

	Net Assets i.e. total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions
Datamatics Global Services Limited	45.53	4,443.20	81.28	323.52
<b>Subsidiaries</b>				
<b>Indian</b>				
Cignex Datamatics Technologies Limited	2.50	243.76	0.70	2.78
Cybercom Datamatics Information Solutions Limited	1.54	150.84	8.08	32.16
Lumina Datamtics Limited	23.44	2,287.52	16.76	66.73
LD Publishing & eRetail Limited	-	-	-	-
LDR eRetail Limited	(0.02)	(1.65)	(4.71)	(18.75)
<b>Foreign</b>				
Datamatics Global Services Inc.	3.10	302.47	(8.14)	(32.40)
Datamatics Global Services GmbH	0.31	29.91	(9.44)	(37.57)
Datamatics Technologies UK Limited	0.00	0.08	-	-
Datamatics Infotech Limited	0.79	76.68	4.34	17.29
Datamatics Global Services Pty. Limited	0.04	3.42	0.08	0.32
Datamatics Global Technologies Limited	10.28	1,004.11	1.91	7.61
Datamatics Global Technologies AG	0.02	1.98	(0.24)	(0.96)
Datamatics Global Technologies GmbH	0.01	1.23	-	-
Cignex Datamatics Corporation	0.28	26.90	-	-
Cignex Datamatics Inc. (USA)	0.99	96.31	(17.87)	(71.15)
Cignex Datamatics Inc. (Michigan)	(0.01)	(1.21)	(0.31)	(1.25)
Cignex Datamatics Pte. Limited	0.07	6.58	(0.63)	(2.50)
Cignex Datamatics UK Limited	0.00	0.13	0.03	0.12
Cignex Datamatics GmbH	(0.00)	(0.22)	0.25	1.00
Duo Design LLC	0.04	4.24	(1.11)	(4.42)
Datamatics Global Solutions GmbH	0.00	0.13	(3.11)	(12.39)
Datamatics Global Services FZ-LLC	0.82	79.72	15.51	61.75
Lumina Datamatics Inc.	9.29	906.88	24.91	99.15
Lumina Datamatics GmbH	0.14	13.71	0.12	0.50
Lumina Datamatics Assessment & Analytics LLC	0.84	82.80	(8.41)	(33.49)
<b>Total</b>	<b>100.00</b>	<b>9,759.52</b>	<b>100.00</b>	<b>398.05</b>
<b>Adjustments arising out of consolidation</b>		<b>(5,086.68)</b>		<b>54.84</b>
<b>Minority Interest</b>				
<b>Indian Subsidiaries</b>				
Cybercom Datamatics Information Solutions Limited		(74.66)		15.91
LDR eRetail Limited		(0.35)		(0.35)
Lumina Datamtics Limited		(238.13)		22.06
<b>Foreign Subsidiaries</b>				
Lumina Datamatics Assessment & Analytics LLC		(11.72)		(11.72)
Cignex Datamatics Corporation		(148.24)		(30.47)
<b>Total</b>		<b>(5,559.78)</b>		<b>50.27</b>
<b>Consolidated Net Assets / Profit after tax</b>		<b>4,199.74</b>		<b>448.32</b>

## Notes forming part of the Consolidated Financial Statements

- 35** In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the enterprises under the above Act, the required information could not be furnished.
- 36** The Group has received confirmations from few Trade receivables, Other receivables and for majority of loans and advances. Remaining Trade receivables, Other receivables, Trade payables and loans and advances are subject to confirmation and reconciliation and consequent impact if any will be adjusted as and when determined.
- 37** In the opinion of the Group, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known Liabilities and for Depreciation is adequate and not in excess of the amount reasonably necessary.
- 38** During the year ended March 31, 2015, pursuant to the notification of Schedule II to the Companies Act, 2013, with effect from April 1, 2014, the Group revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company had fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and adjusted an amount of ₹ 37.50 million (net of deferred tax asset of ₹ 12.23 million) against the opening balance in the Statement of Profit and Loss under Reserves and Surplus.
- Consequent to the change in the useful life of the assets, the depreciation expense in the Statement of Profit and Loss for the year ended March 31, 2015 was higher by ₹ 45.62 million and profit before tax for the year ended March 31, 2015 was lower by the like amount.

### 39 PRIOR PERIOD COMPARATIVES

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

- 40** Figures in the bracket indicates previous year figures.

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

**Jyoti Kawa**  
 Partner  
 Membership No. 105654

Place: Mumbai  
 Dated: May 27, 2016

For and on behalf of the Board  
**Dr. Lalit S. Kanodia**  
 DIN 00008050  
 Chairman

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

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

**Divya Kumat**  
 Senior Vice President - Legal  
 & Company Secretary

**Siddharth B. Saboo**  
 Chief Financial Officer

# Independent Auditors' Report

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

## Report on the Standalone Financial Statements

We have audited accompanying standalone financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

## Emphasis of Matter

- a) Attention is drawn to Note No.39, the Company has an investment of ₹ 670.18 million in three of its wholly owned subsidiaries and also extended loans and advances of ₹ 0.89 million to these subsidiaries as on March 31, 2016. The net worth of these subsidiaries has declined. We are given to understand that, these investments are for long term and of strategic nature and the management are confident of turning around the subsidiaries in the near future. In view of this, we are unable to comment on whether provision if any, for the diminution in the value of investments is required to be made.
- b) Attention is drawn to Note No. 43, Datamatics Global Services GmbH, a subsidiary company along with its subsidiary Datamatics Global Services Solutions GmbH has filed for voluntary winding up / liquidation / de-registration procedure on June 15, 2015. As informed to us, the winding up procedure generally takes at least a year. Management has estimated a diminution in value of investments to the extent of ₹ 65.66 million, which is not temporary in nature as the subsidiary and step down subsidiary companies are currently carrying on its operations prior to closing as contractually / statutorily required. Based on the judgment and estimation of the management, the said investment has been stated at cost (i.e. ₹ 195.95 million) less provision for diminution in value of investment of ₹ 65.66 million as at March 31, 2016.

## Report on other Legal and Regulatory Requirements

1. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards specified under section 133 of Companies Act, 2013, read with rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors, as on March 31, 2016 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Companies Act, 2013.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 26(a) to the financial statements;
    - ii. The Company did not have any material foreseeable losses on long-term contracts including derivatives contracts.
    - iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

### For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration Number: 104746W/W100096

### Jyoti Kawa

Partner

Membership No: 105654

Place: Mumbai

Date: May 27, 2016

## Annexure A to the Auditors' Report

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of **DATAMATICS GLOBAL SERVICES LIMITED** for the year ended March 31, 2016

- i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
- (c) On the basis of our examination and as explained to us, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order is not applicable.
- iii. As informed to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Hence sub clauses (a) and (b) of clause 3(iii) of the order are not applicable to the Company.
- iv. According to information and explanation provided to us in respect of loans, investments, guarantees and securities, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause (v) is not applicable.
- vi. The Central Government has not prescribed the maintenance of cost records under sub-Section (1) of Section 148 of the Companies Act, for any of the products of the Company.
- vii. (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable.
- (b) The disputed statutory dues aggregating ₹ 17.23 million pending before the appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the dues	Forum where the dues is pending	₹ in million
1	Income Tax	Income Tax	ACIT AY 2012-13	12.16
2	Sales Tax Act	Sales Tax	Ass. Commissioner of Sales Tax	5.07
<b>Total</b>				<b>17.23</b>

- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to financial institution, bank or debentureholders as at the Balance Sheet date.
- ix. The Company has not raised any moneys by way of public issue / further offer including debt instruments. The moneys raised on term loans have been applied for the purpose for which it was raised.
- x. To the best of our knowledge and according to the information and explanation given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The managerial remuneration paid by the Company is in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Companies Act, 2013.
- xii. The Company is not a Nidhi Company.



- xiii. The Company has complied with the provisions of section 177 and 188 of the Companies Act, 2013 in respect of transactions with the related parties and has disclosed the details in the Financial Statements in accordance with the accounting standards.
- xiv. The Company has not made any preferential allotment or private placement of shares or has fully or partly convertible debentures during the year under review.
- xv. The Company has not entered into any non-cash transactions with directors or persons connected to directors during the year under review.
- xvi. According to the information and explanations given to us the Company is not required to obtain registration under section 45 IA of the Reserve Bank of India Act, 1934 and therefore clause XVI is not applicable.

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm Registration Number: 104746W/W100096

**Jyoti Kawa**

Partner

Membership No: 105654

Place: Mumbai

Date: May 27, 2016



# Annexure B to the Auditors' Report

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

We have audited the internal financial controls over financial reporting of **DATAMATICS GLOBAL SERVICES LIMITED** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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



## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### For Kanu Doshi Associates LLP

Chartered Accountants

Firm Registration No: 104746W/W100096

### Jyoti Kawa

Partner

Membership No: 105654

Place: Mumbai

Date: May 27, 2016

# Balance Sheet

	Note No.	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	3	294.75	294.75
Reserves and Surplus	4	4,148.45	3,861.99
		4,443.20	4,156.74
<b>NON-CURRENT LIABILITIES</b>			
Long-Term Borrowings	5	346.45	387.50
Deferred Tax Liabilities (Net)	6	8.23	-
Other Long-Term Liabilities	7	0.34	0.47
Long-Term Provisions	8	79.42	61.16
		434.44	449.13
<b>CURRENT LIABILITIES</b>			
Short-Term Borrowings	9	85.62	128.09
Trade Payables		-	-
- Total outstanding dues of micro enterprises and small enterprises		175.40	98.20
Other Current Liabilities	10	218.79	194.29
Short-Term Provisions	11	60.94	66.08
		540.75	486.66
<b>TOTAL</b>		<b>5,418.39</b>	<b>5,092.53</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed Assets	12		
- Tangible Assets		989.76	906.17
- Intangible Assets		175.89	57.51
Capital Work-in-progress		18.00	109.69
Deferred Tax Assets (Net)	6	-	8.95
Non-Current Investments	13	2,684.90	2,631.51
Amount recoverable from ESOP trust		-	62.69
Long-Term Loans and Advances	14	262.58	439.77
Other Non-Current Assets	15	-	14.11
		4,131.13	4,230.40
<b>CURRENT ASSETS</b>			
Current Investments	16	315.08	151.84
Trade Receivables	17	668.53	427.22
Cash and Bank Balances	18	146.36	99.73
Short-Term Loans and Advances	19	101.13	140.48
Other Current Assets	20	56.16	42.86
		1,287.26	862.13
<b>TOTAL</b>		<b>5,418.39</b>	<b>5,092.53</b>
Significant accounting policies and notes forming part of the financial statements	1 - 50		

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

**Jyoti Kawa**  
Partner  
Membership No. 105654

Place: Mumbai  
Dated: May 27, 2016

For and on behalf of the Board  
**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman

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

**Divya Kumat**  
Senior Vice President - Legal  
& Company Secretary

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

**Siddharth B. Saboo**  
Chief Financial Officer

## Statement of Profit and Loss

	Note No.	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>REVENUE FROM OPERATIONS</b>	21	<b>2,816.09</b>	1,885.74
Other Income	22	<b>117.08</b>	79.40
<b>Total Revenue</b>		<b>2,933.17</b>	1,965.14
<b>EXPENSES</b>			
Purchase of IT Products and Licenses		<b>6.22</b>	-
Employee Benefits Expenses	23	<b>1,651.27</b>	1,019.98
Finance Costs	24	<b>55.27</b>	51.24
Depreciation and Amortization Expenses	12	<b>123.39</b>	84.20
Other Expenses	25	<b>668.77</b>	518.83
<b>Total Expenses</b>		<b>2,504.92</b>	1,674.25
<b>Profit before Exceptional Item</b>		<b>428.25</b>	290.89
Exceptional Item (Refer Note no. 43)		<b>(65.66)</b>	-
<b>Profit after Exceptional Item and Before Extraordinary Item</b>		<b>362.59</b>	290.89
Extraordinary Item (Refer Note no. 38)		<b>48.59</b>	-
<b>Profit after Extraordinary Item and Before Tax</b>		<b>411.18</b>	290.89
<b>Tax Expense</b>			
- Current Tax		<b>102.30</b>	64.75
- MAT Credit entitlement		<b>(39.66)</b>	(19.21)
- Deferred Tax	6	<b>27.76</b>	(10.16)
- Wealth Tax		-	0.14
- Tax Adjustment of earlier years		<b>(2.74)</b>	1.99
<b>Profit after Tax for the year</b>		<b>323.52</b>	253.38
Earnings per share (Face value ₹ 5 each)	37		
- Basic and Diluted (in ₹)		<b>5.49</b>	4.30
Significant accounting policies and notes forming part of the financial statements	1-50		

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

**Jyoti Kawa**  
 Partner  
 Membership No. 105654

Place: Mumbai  
 Dated: May 27, 2016

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

**Divya Kumat**  
 Senior Vice President - Legal  
 & Company Secretary

For and on behalf of the Board  
**Dr. Lalit S. Kanodia**  
 DIN 00008050  
 Chairman

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

**Siddharth B. Saboo**  
 Chief Financial Officer

# Cash Flow Statement

	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
<b>Net Profit before Tax</b>	<b>411.18</b>	<b>290.89</b>
<b>Adjusted for:</b>		
Provision for Retirement benefits	5.33	25.75
Depreciation and amortization	123.39	84.20
Finance Costs	55.27	51.24
(Profit) / Loss on sale of Fixed Assets (₹ 4,347)	0.16	(0.00)
Interest Income from Fixed Deposits and Others	(5.28)	(19.40)
Dividend Received	(13.97)	(25.80)
Profit on sale of Investments	(52.01)	(14.21)
Employee Stock option expenses	2.65	0.68
Provision for diminution in the value of investment	65.66	-
Bad Debts Written off	8.36	-
Exchange difference on translation of foreign currency monetary items	12.94	10.50
<b>Operating Profit before Working Capital Changes</b>	<b>202.50</b>	<b>112.96</b>
<b>Adjusted for:</b>	<b>613.68</b>	<b>403.85</b>
(Increase) in Sundry Debtors	(241.31)	(13.19)
Decrease / (Increase) in Loans and Advances	278.96	(17.27)
Increase / (Decrease) in Trade and Other Liabilities	101.17	(124.53)
<b>Cash Generated from Operations</b>	<b>138.82</b>	<b>(154.99)</b>
Taxes Paid (Net of tax refund received)	752.50	248.86
Net Cash From Operating Activities	143.98	76.97
	608.52	171.89
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(222.50)	(71.31)
Sale of Fixed Assets	0.35	0.61
Sale of Investments	(196.67)	74.54
Interest Income from Fixed Deposits and Others	5.28	19.40
Profit on sale of Investment	52.01	14.21
Dividend Received	13.97	25.80
<b>Net Cash (used in) / from Investing Activities</b>	<b>(347.56)</b>	<b>63.25</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds / (Repayment) from Long / Short Term Borrowings	(74.22)	(12.72)
Finance Costs	(55.27)	(51.24)
Final Equity Dividend Paid	(38.32)	(73.69)
Tax paid on equity dividend	(7.80)	(5.47)
Interim Equity Dividend paid	(29.47)	(20.63)
Tax paid on interim equity dividend	(3.38)	-
<b>Net Cash Flow used in Financing Activities</b>	<b>(208.46)</b>	<b>(163.75)</b>
Net Increase in Cash and Cash Equivalent during the year	52.50	71.39
Cash and Cash equivalents as at beginning of the year	96.92	36.03
Exchange difference on translation of foreign currency cash and cash equivalents	(12.94)	(10.50)
Cash and Cash equivalents as at the end of the year	136.48	96.92
Earmarked balances with banks	9.88	2.81
<b>Cash and Bank balances at the end of the year</b>	<b>146.36</b>	<b>99.73</b>

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

**Jyoti Kawa**  
Partner  
Membership No. 105654

Place: Mumbai  
Dated: May 27, 2016

For and on behalf of the Board  
**Dr. Lalit S. Kanodia**  
DIN 00008050  
Chairman

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

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

**Divya Kumat**  
Senior Vice President - Legal  
& Company Secretary

**Siddharth B. Saboo**  
Chief Financial Officer

# Notes forming part of the Financial Statements

## 1 COMPANY OVERVIEW

Datamatics Global Services Limited (DGSL) 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) and Business Process Outsourcing (BPO) and Consulting services. The Company provides business aligned next-generation solutions to a wide range of industry verticals that help enterprises across the world overcome their business challenges and achieve operational efficiencies. These solutions leverage innovations in technology, knowledge of business processes and domain expertise to provide clients a competitive edge.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### I. Basis of Preparation of Financial Statements:

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

### II. Use of Estimates:

The preparation of financial statements in conformity with the generally accepted accounting principles require estimates and assumptions to be made that affect the reported amounts of the assets and liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognised in the period in which the results are known / materialized.

### III. Revenue Recognition:

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

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

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

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

Cost and earnings in excess of billings are 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.

### IV. Tangible assets, Intangible assets and Capital work-in-progress:

Fixed Assets are valued at cost, except for certain fixed assets 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



# Notes forming part of the Financial Statements

borrowing attributable to the acquisition of fixed assets. Intangible assets are recognised, only if it is probable that the future economic benefits that are attributable to the assets will flow to the enterprise and the cost of the assets can be measured reliably. The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any. Capital work-in-progress includes assets not put to use before the year end.

## V. Depreciation and Amortization:

Depreciation on tangible fixed assets is provided on the Straight Line Method except for leasehold and freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. (Refer Note no. 48). Intangible assets including internally developed intangible assets are amortized over a period of three years for which the Company expects the benefits to accrue. Non-Compete fees and copyrights are amortised over a period of five years. Goodwill generated on account of amalgamation is amortised over a period of five years. Leasehold Premises is amortized on the Straight Line Method over the period of the 30 years.

## VI. Valuation of Inventories:

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

## VII. Investments:

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

## VIII. Employee Benefits:

### (i) Defined Contribution Plan

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

### (ii) Defined Benefit Plan

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

## IX. Foreign Exchange Transactions:

- (i) Transactions in foreign currency are recorded at the rates of exchange prevailing at the date of the transactions.
- (ii) Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.
- (iii) Any income or expense on account of exchange difference either on settlement or on translation at the balance sheet date is recognised in the Statement of Profit and Loss in the year in which it arises.

## X. Derivative Instruments and Hedge Accounting:

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

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

## Notes forming part of the Financial Statements

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss as they arise.

The fair value of derivative financial instruments is determined based on observable market inputs including currency spot and forward rates, yield curves, currency volatility etc.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Shareholders' Funds is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Shareholders' Funds is transferred to the Statement of Profit and Loss for the period.

### XI. Leases:

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

### XII. Taxation:

Current Income tax expense comprises taxes on income from operations in India. Income tax payable in India is determined in accordance with the provision of Income Tax Act, 1961.

The Company comprises of business units established under the Software Technology Park Scheme and Special Economic Zones Act. These units enjoy a tax holiday as per rules framed under the above schemes and as per the Income-tax Act, 1961.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives rise to future economic benefit in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal tax after the tax holiday period.

The difference that results between the profit considered for income taxes and the profit as per the financial statements are identified and thereafter a deferred tax asset or deferred tax liability is recorded for timing differences, namely the difference that originate in one accounting period and reverse in another based on the tax effect of the aggregate amount being considered. The tax effect is calculated on the accumulated timing differences at the end of accounting period based on prevailing enacted or substantially enacted regulations. Deferred tax assets are recognised only if there is reasonable certainty that they will be realised and are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

Deferred tax assets arising on account of unabsorbed depreciation or carry forward of tax losses are recognised only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which deferred tax assets can be realised.

### XIII. Borrowing Cost:

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

### XIV. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### XV. Earnings per Share:

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

## Notes forming part of the Financial Statements

computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

### **XVI. Employee Stock Option Scheme:**

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

### **XVII. Impairment of Assets:**

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

### **XVIII. Provision, Contingent Liabilities and Contingent Assets:**

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

Contingent Assets are neither recognised nor disclosed.

### **XIX. Cash and Cash Equivalents:**

The Company considers all highly liquid financial instruments, which are readily convertible into cash and have original maturities of three months or less from date of purchase to be cash equivalents.

### **XX. Segment Reporting:**

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

### **XXI. Prior period adjustments, extra-ordinary items and changes in accounting policies:**

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

## Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>3 SHARE CAPITAL</b>		
<b>a) Authorised</b>		
104,000,000 (100,000,000) Equity shares of ₹ 5 each	520.00	500.00
45,550,000 (30,000,000) Redeemable Preference shares of ₹ 10 each	455.50	300.00
<b>TOTAL</b>	<b>975.50</b>	<b>800.00</b>
<b>b) Issued, Subscribed and Paid Up</b>		
58,949,337 (58,949,337) Equity shares of ₹ 5 each fully paid up	294.75	294.75
<b>TOTAL</b>	<b>294.75</b>	<b>294.75</b>

**c) Reconciliation of number of shares**

	As at March 31, 2016 Number of shares	₹ in Millions	As at March 31, 2015 Number of shares	₹ in Millions
<b>Equity Shares:</b>				
Shares outstanding at the beginning of the year	5,89,49,337	294.75	5,89,49,337	294.75
Shares outstanding at the end of the year	5,89,49,337	294.75	5,89,49,337	294.75

**d) Rights, preferences and restrictions attached to 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 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 27, 2016 proposed a Final Dividend of ₹ 0.25 per equity share. The proposal is subject to the approval of shareholders at the Annual General Meeting to be held on September 15, 2016. The total dividend appropriation for the year ended March 31, 2016 amounted to ₹ 44.21 million and corporate dividend tax of ₹ 6.39 million.

**e) Shares held by Holding Company**

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
31,813,742 (31,813,742) Equity shares of ₹ 5 each held by Delta Infosolutions Private Limited	159.07	159.07

**f) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**

	As at March 31, 2016 Number of shares	% of aggregate number of shares	As at March 31, 2015 Number of shares	% of aggregate number of shares
Delta Infosolutions Private Limited	3,18,13,742	53.97%	3,18,13,742	53.97%
Lalit Surajmal Kanodia	32,30,995	5.48%	35,30,995	5.99%
Asha Lalit Kanodia	33,05,258	5.61%	36,05,258	6.12%

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

## Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>4 RESERVES AND SURPLUS</b>		
<b>a) CAPITAL RESERVE</b>		
Balance as per last Balance Sheet	3.52	3.52
Add: As per Scheme of Amalgamation (Refer Note no. 40)	32.08	-
	<b>35.60</b>	<b>3.52</b>
<b>b) CAPITAL REDEMPTION RESERVE</b>		
Balance as per last Balance Sheet	244.28	244.28
	<b>244.28</b>	<b>244.28</b>
<b>c) SECURITIES PREMIUM</b>		
Balance as per last Balance Sheet	1,080.08	1,080.08
	<b>1,080.08</b>	<b>1,080.08</b>
<b>d) EMPLOYEE STOCK OPTION OUTSTANDING (Refer Note no. 38)</b>		
Balance as per last Balance Sheet	-	6.28
Less: Transfer to General Reserve	-	(6.28)
	<b>-</b>	<b>-</b>
<b>e) HEDGING RESERVE (Refer Note no. 28)</b>		
Balance as per last Balance Sheet	72.19	(5.37)
Add: Gain / (Loss) on cash flow hedging derivatives	(18.54)	77.56
	<b>53.65</b>	<b>72.19</b>
<b>f) GENERAL RESERVE</b>		
Balance as per last Balance Sheet	1,077.14	1,045.46
Add: Transfer from Surplus in Statement of Profit and Loss	-	25.40
Add: Transfer from the Employee Stock Options Outstanding	-	6.28
	<b>1,077.14</b>	<b>1,077.14</b>
<b>g) SURPLUS IN STATEMENT OF PROFIT AND LOSS</b>		
Balance brought forward from last year	1,384.78	1,241.91
Add: Profit for the year	323.52	253.38
<b>Amount Available for Appropriations</b>	<b>1,708.30</b>	<b>1,495.29</b>
Less: Depreciation pursuant to the transitional provisions as per Companies Act, 2013	-	18.13
<b>Less: Appropriations</b>		
Proposed Dividend on Equity shares	14.74	38.32
Interim Dividend on Equity shares	29.47	20.63
Tax on Equity Dividend	6.39	8.03
Transfer to General Reserve	-	25.40
<b>Closing Balance</b>	<b>1,657.70</b>	<b>1,384.78</b>
<b>TOTAL</b>	<b>4,148.45</b>	<b>3,861.99</b>

## Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>5 LONG TERM BORROWINGS</b>		
<b>a) From Banks</b>		
Secured Loans	246.45	387.50
(External Commercial Borrowings from Citibank N.A. is secured by way of Creation of Mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of Title deeds with Bank, in respect of its Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik). (Terms of Repayment: Repayable in 15 equal quarterly installments of USD 0.62 million over a period of 5 years starting from January 2015 upto July 2018. Rate of Interest: Libor plus 3.00%)		
<b>b) From Directors (Refer Note no. 35)</b>		
Unsecured Loan	100.00	-
(Rate of Interest @ 9%, Terms of Repayment: Repayable in financial year ended March 31, 2018)		
<b>TOTAL</b>	<b>346.45</b>	<b>387.50</b>
<b>6 DEFERRED TAX BALANCES</b>		
Major components of deferred tax balances consist of the following:		
<b>a) Deferred Tax Liabilities (DTL)</b>		
Depreciation and Amortisation	29.77	19.95
<b>Total</b>	<b>29.77</b>	<b>19.95</b>
<b>b) Deferred Tax Assets (DTA)</b>		
Employee Benefits	(18.66)	(24.86)
Provision for Doubtful Receivables, Loans and Advances	(2.82)	(4.04)
Others	(0.06)	-
<b>Total</b>	<b>(21.54)</b>	<b>(28.90)</b>
Deferred Tax Liabilities / (Assets) (Net)	8.23	(8.95)
Provided upto previous year	(8.95)	10.48
Opening DTA of DSSL and DVISTA	10.58	-
Deferred Tax impact on WDV adjusted against the Statement of Profit and Loss (Refer Note no. 48)	-	9.27
<b>(Reversal) / Provision for Deferred Tax Liability</b>	<b>27.76</b>	<b>(10.16)</b>
<b>7 OTHER LONG-TERM LIABILITIES</b>		
<b>Other Payables</b> (Refer Note no. 44):		
- Capital Creditor	0.34	0.47
<b>TOTAL</b>	<b>0.34</b>	<b>0.47</b>



# Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>8 LONG-TERM PROVISIONS</b>		
<b>Provision for employee benefits (Refer Note no. 33):</b>		
- For Gratuity (Unfunded)	49.32	44.64
- For Leave Encashment (Unfunded)	30.10	16.52
<b>TOTAL</b>	<b>79.42</b>	<b>61.16</b>
<b>9 SHORT-TERM BORROWINGS</b>		
<b>From Banks</b>		
Secured Loans - Packing Credit	85.62	128.09
<b>TOTAL</b>	<b>85.62</b>	<b>128.09</b>
Working Capital loan from Standard Chartered Bank and Citibank N.A. is secured by way of First Pari Passu Charge on Hypothecation of Stock, Book Debts and Movable Fixed Assets of the Company both past and present.		
<b>10 OTHER CURRENT LIABILITIES</b>		
Current Maturity of Long-Term Borrowings - Secured	164.30	155.00
Interest Accrued but not due on Borrowings (Refer Note no. 35)	3.64	3.33
Unearned Revenue	2.66	7.23
Advance Received from Customers	1.39	1.04
Unpaid Dividends *	8.16	1.63
Statutory Liabilities	32.07	19.49
Other Payables	6.57	6.57
<b>TOTAL</b>	<b>218.79</b>	<b>194.29</b>
* Dividend ₹ 0.15 million (₹ 0.31 million) unclaimed for a period of more than seven years is transferred to Investor's Education and Protection Fund during the year. Further there are no amounts due and outstanding to be credited to Investor's Education and Protection Fund as at March 31, 2016.		
<b>11 SHORT-TERM PROVISIONS</b>		
<b>Provision for Employee Benefits (Refer Note no. 33):</b>		
- For Gratuity (Unfunded)	3.57	9.11
- For Leave Encashment (Unfunded)	9.84	8.29
<b>Others:</b>		
- For Proposed Dividend on Equity Shares	14.74	38.32
- For Tax on Proposed Equity Dividend	3.00	7.80
- For Direct Taxes (Net)	29.79	2.56
<b>TOTAL</b>	<b>60.94</b>	<b>66.08</b>

# Notes forming part of the Financial Statements

## 12. FIXED ASSETS

Description	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	Balance as on April 1, 2015	Additions during the Year	Transfer on Scheme of Amalgamation (Refer Note 40)	(Deductions)/ Adjustments during the Year	Balance as on March 31, 2016	Depreciation Adjusted Against Statement of Profit and Loss (Refer Note No. 48)	Additions during the Year	(Deductions) / Adjustments during the Year	Balance upto March 31, 2016	Balance as on March 31, 2015
<b>TANGIBLE ASSETS</b>										
Land*	607.40	-	-	-	607.40	-	-	-	-	607.40
Buildings	165.31	42.29	-	-	207.60	28.03	4.86	-	32.89	137.28
Plant and Equipments	11.28	-	-	-	11.28	3.47	0.89	-	4.36	7.81
Furniture and Fixtures	134.88	3.25	0.81	(0.91)	138.03	85.91	10.89	(0.75)	96.05	48.97
Vehicles	28.14	-	-	-	28.14	12.93	3.70	-	16.63	15.21
Office Equipments	33.54	1.57	2.02	(0.60)	36.53	26.83	3.68	(0.26)	30.25	6.71
Computers	263.13	13.68	8.68	(16.44)	269.05	225.92	22.13	(16.44)	231.61	37.21
Air Conditioners	33.58	1.08	-	(0.35)	34.31	17.99	3.42	(0.33)	21.08	15.59
Electrical Fittings	53.30	0.08	0.04	-	53.42	28.74	6.03	-	34.77	24.56
Leasehold Improvements	8.98	67.00	-	-	75.98	3.55	0.79	-	4.34	5.43
<b>TANGIBLE ASSETS TOTAL (A)</b>	<b>1,339.54</b>	<b>128.95</b>	<b>11.55</b>	<b>(18.30)</b>	<b>1,461.74</b>	<b>433.37</b>	<b>56.40</b>	<b>(17.79)</b>	<b>471.98</b>	<b>906.17</b>
<b>PREVIOUS YEAR TOTAL (1)</b>	<b>1,308.24</b>	<b>39.63</b>	<b>-</b>	<b>(8.34)</b>	<b>1,339.54</b>	<b>358.13</b>	<b>55.58</b>	<b>(7.73)</b>	<b>433.37</b>	<b>906.17</b>
<b>INTANGIBLE ASSETS</b>										
Goodwill	-	124.05	-	-	124.05	-	24.81	-	24.81	-
Internally Developed Softwares	9.56	-	-	-	9.56	9.56	-	-	9.56	-
Other Softwares	248.42	15.20	0.12	-	263.74	190.91	34.19	-	225.10	57.51
Non-Compete Fees	-	36.00	-	-	36.00	-	6.34	-	6.34	-
Copyrights	-	10.00	-	-	10.00	-	1.65	-	1.65	-
<b>INTANGIBLE ASSETS TOTAL (B)</b>	<b>257.98</b>	<b>185.25</b>	<b>0.12</b>	<b>-</b>	<b>443.35</b>	<b>200.47</b>	<b>66.99</b>	<b>-</b>	<b>267.46</b>	<b>57.51</b>
<b>PREVIOUS YEAR TOTAL (2)</b>	<b>226.16</b>	<b>31.82</b>	<b>-</b>	<b>-</b>	<b>257.98</b>	<b>171.85</b>	<b>28.62</b>	<b>-</b>	<b>200.47</b>	<b>57.51</b>
<b>GRAND TOTAL (A+B)</b>	<b>1,597.52</b>	<b>314.20</b>	<b>11.67</b>	<b>(18.30)</b>	<b>1,905.09</b>	<b>633.84</b>	<b>123.39</b>	<b>(17.79)</b>	<b>739.44</b>	<b>963.68</b>
<b>PREVIOUS YEAR TOTAL (1+2)</b>	<b>1,534.40</b>	<b>71.46</b>	<b>-</b>	<b>(8.34)</b>	<b>1,597.52</b>	<b>529.98</b>	<b>84.20</b>	<b>(7.73)</b>	<b>633.84</b>	<b>963.68</b>
<b>CAPITAL WORK-IN-PROGRESS</b>										
						27.40			18.00	109.69

\* Note:

- (1) The above amount includes Freehold land of ₹ 267.05 million (₹ 267.05 million) and Leasehold land of ₹ 340.35 million (₹ 340.35 million) which is considered as perpetual lease.
- (2) Gross Block includes ₹ 317.23 million (₹ 317.23 million) being the amount added on revaluation of Land in the F.Y. 2008-09, based on report issued by approved independent valuer.
- (3) Immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor at Nashik is secured by way of Creation of Mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of Title deeds with Bank.

# Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>13 NON-CURRENT INVESTMENTS</b>		
<b>UNQUOTED (TRADE) (AT COST)</b>		
<b>Investment in Equity Shares</b>		
<b>- In Subsidiary Companies</b>		
300,001 (300,001) fully paid equity shares of Datamatics Technologies UK Limited of GBP 1 each	<b>23.89</b>	23.89
1,000 (1,000) no par value fully paid common stock in Datamatics Global Services Inc.	<b>644.04</b>	644.04
50,000 (50,000) fully paid equity shares of Datamatics Global Services Pty Limited of AUD 1 each	<b>1.56</b>	1.56
20,000 (20,000) fully paid equity shares of Datamatics Infotech Limited of GBP 1 each	<b>1.71</b>	1.71
Nil (218,605) fully paid equity shares of Datamatics Software Services Limited of ₹ 10 each (Merged with the Company w.e.f April 01, 2015)	-	2.04
1,000,000 (1,000,000) fully paid equity shares of Datamatics Global Technologies Limited of USD 1 each	<b>46.05</b>	46.05
50,000 (50,000) fully paid equity shares of Datamatics Global Technologies AG of CHF 1 each	<b>2.26</b>	2.26
428,400 (428,390) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	<b>7.94</b>	7.94
162,957 (162,957) fully paid equity shares of Lumina Datamatics Limited (Formerly known as Lexicon Publishing Services Private Limited) of ₹ 10 each	<b>577.60</b>	577.60
50 (50) fully paid equity shares of Datamatics Global Services FZ - LLC of AED 1,000 each	<b>0.86</b>	0.86
2,025,000 (2,025,000) fully paid equity shares of Datamatics Global Services GmbH of EURO 1 each	<b>195.95</b>	195.95
Less : Provision for Dimunition in Value of Investment	<b>65.66</b>	-
	<b>130.29</b>	195.95
<b>Investment in Preference Shares</b>		
<b>- In Subsidiary Companies</b>		
Nil (12,920,000) fully paid 8% Optionally Convertible Non - Cumulative Redeemable Preference Shares of Datamatics Software Services Limited of ₹ 10 each (Merged with the Company w.e.f. April 01, 2015)	-	129.20
3,850,000 (4,250,000) fully paid Series II Non Cumulative Redeemable 8% Preference Shares of Datamatics Global Technologies Limited of USD 1 each	<b>176.39</b>	194.70
9,300,000 (9,300,000) fully paid Series III Convertible Non-Cumulative Redeemable 8% Preference Shares of Datamatics Global Technologies Limited of USD 1 each	<b>562.90</b>	562.90
<b>Investments in Capital of Subsidiaries Pending Allotment</b>		
Lumina Datamatics Limited	<b>312.00</b>	-
LD Publishing & eRetail Limited	<b>0.50</b>	-
<b>UNQUOTED (NON-TRADE) (AT COST)</b>		
<b>- Investments in Debentures</b>		
5,000 (5,000) debentures of ₹ 1,000 each of India Infoline Investment Services Limited @ 11.70%	<b>5.00</b>	5.00
30 (30) debentures of ECL Finance Limited - E6F401 - NCD	<b>3.05</b>	3.05
Nil (200) debentures of ₹ 100,000 each of Edelweiss Finance and Investments Limited @ 10.25% 15M - NCD	-	20.00

## Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>QUOTED - NON TRADE (AT COST)</b>		
<b>- In Equity Shares</b>		
a) 900 (900) fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.51	0.51
Less : Provision for Dimunition in Value of Investment	0.48	0.49
	0.03	0.02
b) 6,838 (6,838) fully paid Equity Shares of ₹ 2 each of Wipro Limited	3.74	3.74
Less : Provision for Dimunition in Value of Investment	-	1.15
	3.74	2.59
c) 5,000 (5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.55	0.55
Less : Provision for Dimunition in Value Investment	0.52	0.50
	0.03	0.05
d) 400 (400) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.21	0.21
e) 8,998 (8,998) fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.20	2.20
f) 38,767 (38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	3.49	3.49
g) 5,000 (5,000) fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	1.22	1.22
h) 1,200 (1,200) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	1.23	1.23
i) 35,200 (35,200) fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	13.04	28.34
Less : Provision for Dimunition in Value Investment	6.57	5.61
	6.47	22.73
<b>QUOTED - NON TRADE (AT COST)</b>		
<b>- In units of Mutual Funds fully paid</b>		
1,000,000 (1,000,000) Units of Birla Sun Life Fixed Term Plan - Series GI (1185 Days) - Growth (Face Value of ₹ 10 each) (Tenure 40 Months)	10.00	10.00
2,322,330 (2,322,330) Units of HDFC Short Term Opportunities Fund - Growth (Face Value of ₹ 10 each)	32.02	32.02
1,000,000 (1,000,000) Units of Reliance FHF XXIV Series 3 - Growth (Face Value of ₹10 each) (Tenure 37 Months)	10.00	10.00
2,500,000 (2,500,000) Units of Reliance FHF XXIV Series 11 - Growth (Face Value of ₹10 each) (Tenure 38 Months)	25.00	25.00
1,000,000 (1,000,000) Units of TATA Fixed Maturity Plan Series - 43 Scheme A - Growth (370 days) (Face Value of ₹ 10 each) (Tenure 37 Months)	10.00	10.00
1,000,000 (1,000,000) Units of ICICI Prudential Fixed Maturity Plan - Series 69 - 366 days Plan A (Face Value of ₹ 10 each) (Tenure 37 Months)	10.00	10.00
2,500,000 (2,500,000) units of Birla Sun Life Interval Income Fund-Annual Plan-X-Growth (Face Value of ₹10 each) (Tenure 37 Months)	25.00	25.00
893,974 (893,974) Units of Birla Sun Life India Refroms Fund Growth (Face Value of ₹ 10 each) (Tenure 18 Months)	13.25	13.25
34,133 (34,133) Units of HDFC Prudence Fund - Growth (Face Value of ₹ 100 each) (Tenure 18 Months)	13.25	13.25
1,018,717 (1,018,717) Units of IIFL Income Opportunities Fund - AIF - Growth (Face Value of ₹ 0.8916 each ( ₹ 10 each))	1.72	10.50
2,000,000 (2,000,000) Units of ICICI Prudential FMP Series73 -1140 Days Plan E Growth (Face Value of ₹ 10 each) (Tenure 38 Months)	20.00	20.00
<b>TOTAL</b>	<b>2,684.90</b>	<b>2,631.51</b>
<b>Aggregate of Quoted Investments</b>	<b>196.43</b>	<b>220.51</b>
<b>Market Value of Quoted Investments</b>	<b>225.23</b>	<b>241.17</b>
<b>Aggregate of Unquoted Investments</b>	<b>2,561.70</b>	<b>2,418.75</b>
<b>Aggregate of Provision for Dimunition in Value of Investments</b>	<b>73.23</b>	<b>7.75</b>

# Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>14 LONG-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)</b>		
Advance Payment of Income Tax (Net)	71.77	-
Advance Tax - FBT (Net)	-	0.11
MAT Credit Entitlement	103.14	60.92
Security Deposits	41.27	24.44
Loans and Advances to Subsidiaries (Net) (Refer Note no. 35 and 41)	16.23	294.69
Service Tax Receivable	10.00	34.13
Prepaid Expenses	0.32	1.15
Advance to Employees	5.99	0.61
Other Receivables	1.76	1.78
Fair Value of Outstanding Forward Contracts (Refer Note no. 28)	12.10	21.94
<b>TOTAL</b>	<b>262.58</b>	<b>439.77</b>
<b>15 OTHER NON-CURRENT ASSETS</b>		
<b>(Unsecured, considered good)</b>		
Non-Current Bank Deposits (original maturity of more than 12 months)*	-	11.80
Interest Accrued but not due on Deposits with Banks	-	2.31
<b>TOTAL</b>	<b>-</b>	<b>14.11</b>
* All the above NIL (₹ 11.80 million) are marked as Lien for Guarantees issued by Banks on behalf of the Company.		
<b>16 CURRENT INVESTMENTS</b>		
<b>(At Cost or Fair Value whichever is less)</b>		
<b>QUOTED - NON TRADE</b>		
<b>Investment in Liquid Mutual Funds fully paid</b>		
8,730 (8,730) Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each)	19.94	19.94
660,925 (660,925) Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each)	10.00	10.00
418,520 (213,225) Units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹10 each)	20.74	10.00
Nil (1,000,000) Units of HDFC FMP Series 29-447 Days - Reg - Growth (Face Value of ₹ 10 each)	-	10.00
Nil (400,000) Units of Kotak FMP Series 145-390 days - Growth (Face Value of ₹ 10 each)	-	4.00
Nil (1,000,000) Units of DWS Fixed Maturity Plan Series 54-392 days Growth (Face Value of ₹ 10 each)	-	10.00

## Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
490,259 (490,259) Units of HDFC Corporate Debt Opportunities Fund -Reg Growth (Face Value of ₹ 10 each)	5.00	5.00
1,284,891 (1,284,891) Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	27.00	27.00
986,236 (986,236) Units of ICICI Prudential Short Term Regular Plan - Growth (Face Value of ₹ 10 each)	26.10	26.10
1,950,054 (1,444,398) Units of Templeton India Ultra Short Bond Fund - Super - IP -Growth (Face Value of ₹ 10 each)	35.19	25.19
122,737 (17,579) Units of Birla Sunlife Saving Fund - Growth (Face Value of ₹ 100 each)	34.61	4.61
342,037 (Nil) Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	76.50	-
645,615 (Nil) Units of Reliance Medium Term Fund - Direct Plan Growth Plan - Growth (Face Value of ₹ 10 each)	20.00	-
107,636 (Nil) Units of ICICI Prudential Flexible Income - Regular Plan - Growth (Face Value of ₹ 100 each)	30.00	-
393,749 (Nil) Units of HDFC Floting Rate Income Fund - STF - WP - Growth (Face Value of ₹ 10 each)	10.00	-
<b>TOTAL</b>	<b>315.08</b>	<b>151.84</b>
<b>Aggregate of Quoted Investments</b>	<b>315.08</b>	<b>151.84</b>
<b>Market Value of Quoted Investments</b>	<b>346.31</b>	<b>170.16</b>
<b>17 TRADE RECEIVABLES (Refer Note No. 32, 35 and 40)</b>		
<b>Unsecured</b>		
<b>Over six months from the date they were due for payment</b>		
- Considered Good	93.13	48.50
- Considered Doubtful	8.16	7.33
<b>Others</b>		
- Considered Good	575.40	378.72
	<b>676.69</b>	<b>434.55</b>
Less :- Provision for Doubtful Debts	8.16	7.33
<b>TOTAL</b>	<b>668.53</b>	<b>427.22</b>
<b>18 CASH AND BANK BALANCES</b>		
<b>CASH and CASH EQUIVALENTS</b>		
<b>BANK BALANCES</b>		
- In Current Accounts	52.71	45.87
- In Exchange Earner's Foreign Currency Account	82.35	49.53
- In Margin Accounts (original maturity of less than 3 months)*	0.58	1.17
Cash in Hand	0.36	0.35
Cheques in Hand	0.19	-
Foreign Currency in Hand (P.Y. ₹ 893)	0.33	0.00
	<b>136.52</b>	<b>96.92</b>



## Notes forming part of the Financial Statements

	As at March 31, 2016 ₹ in Millions	As at March 31, 2015 ₹ in Millions
<b>OTHER BANK BALANCES</b>		
- In Margin Accounts (original maturity of more than 3 months and less than 12 months)*	1.71	1.21
- In Unclaimed Dividend Accounts	8.13	1.60
	9.84	2.81
<b>TOTAL</b>	<b>146.36</b>	<b>99.73</b>
* Out of the above ₹ 2.29 million (₹ 2.38 million) are marked as Lien for Guarantees issued by Banks on behalf of the Company.		
<b>19 SHORT-TERM LOANS AND ADVANCES</b>		
<b>(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)</b>		
MAT Credit Entitlement	2.62	6.36
Security Deposits	3.40	3.39
Inter-Corporate Deposits	-	30.00
Service Tax Receivable	18.10	18.54
Prepaid Expenses	18.72	20.06
Other Receivables	0.72	0.76
Advance to Employees	15.04	10.98
Advance to Vendors	0.97	0.14
Fair Value of Outstanding Forward Contracts (Refer Note no. 28)	41.56	50.25
<b>Other Loans and Advances</b>		
- Considered Doubtful	7.00	4.15
- Less: Provision for Bad and Doubtful Advances	(7.00)	(4.15)
<b>TOTAL</b>	<b>101.13</b>	<b>140.48</b>
<b>20 OTHER CURRENT ASSETS</b>		
Unbilled Revenue	55.36	41.83
Interest Accrued on Investments	0.59	0.85
Interest Accrued but not due on Deposits with Banks	0.21	0.18
<b>TOTAL</b>	<b>56.16</b>	<b>42.86</b>

## Notes forming part of the Financial Statements

	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>21 REVENUE FROM OPERATIONS</b>		
<b>Sales from Software Services:</b>		
- Export	1,937.17	1,798.29
- Domestic	857.41	87.45
<b>Sale of Products and Licenses:</b>		
- Domestic	21.51	-
<b>TOTAL</b>	<b>2,816.09</b>	<b>1,885.74</b>
<b>22 OTHER INCOME</b>		
Interest from Banks	1.31	1.58
<b>Interest from Others:</b>		
- Current	2.45	1.79
- Non-Current	1.52	16.03
<b>Dividend Income:</b>		
- Current Investments - Non Trade	1.12	6.13
- Non-Current Investments - Non Trade	-	0.40
- From Subsidiary (Refer Note no. 35)	12.85	19.28
<b>Profit on Sale of Investment:</b>		
- Current - Non Trade	0.07	5.59
- Non-Current - Non Trade	3.35	8.62
Exchange Fluctuation (Net)	75.07	13.72
Corporate Guarantee Fees (Refer Note no. 35)	3.93	3.79
Profit on Sale of Fixed Assets (Net)(P.Y. ₹ 4,347)	-	0.00
Miscellaneous Income	15.29	1.13
Sundry Balances Written Back (Net)	0.12	1.34
<b>TOTAL</b>	<b>117.08</b>	<b>79.40</b>
<b>23 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, Wages, Bonus and Allowances	1,484.14	897.30
Contribution to Provident Fund and Other Funds (Refer Note no. 33)	79.63	49.35
Share Based Compensation (Refer Note no. 38)	2.65	0.68
Staff Welfare Expenditure	53.73	44.58
Directors Remuneration (Refer Note no. 35)	31.12	28.07
<b>TOTAL</b>	<b>1,651.27</b>	<b>1,019.98</b>

## Notes forming part of the Financial Statements

	For the year ended March 31, 2016 ₹ in Millions	For the year ended March 31, 2015 ₹ in Millions
<b>24 FINANCE COSTS</b>		
Interest (Refer Note no. 35)	55.27	51.24
<b>TOTAL</b>	<b>55.27</b>	<b>51.24</b>
<b>25 OTHER EXPENSES</b>		
Knowledge Associates / Vendor Charges (Refer Note no. 35)	24.77	11.80
Electricity Expenses	64.13	57.14
Technical Fees (Refer Note no. 35)	127.36	108.18
Travelling Expenses	192.56	156.85
Link Charges	17.40	15.10
Rent (Refer Note no. 35 and 36)	45.09	26.48
Rates and Taxes	12.47	6.71
Communication Expenses	15.91	12.70
Legal and Professional Charges	41.46	14.56
Remuneration to Auditors (Refer Note no. 29)	2.54	2.04
Repairs and Maintenance :		
- Building	6.11	7.05
- IT and Machinery	49.35	37.78
- Others	11.72	12.96
Insurance Premium	1.45	1.92
Sales Commission	0.09	0.07
Board Sitting Fees	0.93	0.61
Advertisement and Sales Promotion Expenses	4.46	2.24
Subscription Charges	5.60	6.37
Lease Rent and Hire Charges	3.44	3.49
Entertainment Expenses	2.33	2.41
Miscellaneous Expenses (Refer Note no. 35)	1.96	2.63
Bad Debts Written Off	1.87	-
Expenditure on CSR Activities	1.85	1.79
Provision for Diminution in Value of Investments	5.43	5.72
Loss on Sale of Fixed Assets (Net)	0.16	-
Bank and Other Charges	2.33	3.34
Recruitment Expenses	10.59	6.56
Printing and Stationery	5.32	3.86
Photocopying Charges	0.09	0.11
Security Charges	10.00	8.36
<b>TOTAL</b>	<b>668.77</b>	<b>518.83</b>

## Notes forming part of the Financial Statements

### 26 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:**

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>(a) Claims against the Company not acknowledged as debt:</b>		
(i) Income Tax matters	12.16	-
(ii) Sales Tax matters	5.07	5.07
<b>(b) Details of guarantees outstanding as at:</b>		
(i) Corporate guarantees provided to Banks against credit facilities extended to Subsidiaries	197.38	191.75
<b>(c) Capital and other commitments:</b>		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	69.93	-

### 27 PROPOSED DIVIDEND

	March 31, 2016	March 31, 2015
<b>The final dividend proposed for the year is as follows:</b>		
On Equity Shares of ₹ 5 each		
Amount of dividend proposed (in ₹ million)	14.74	38.32
Dividend per Equity Share	₹ 0.25	₹ 0.65

**28** 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 table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the Balance Sheet date:

Particulars	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
Not later than one month	81.70	63.42
Later than one month and not later than three months	183.21	124.63
Later than three months and not later than one year	728.46	562.80
Later than one year	281.10	508.17
<b>Total</b>	<b>1,274.47</b>	<b>1,259.02</b>

## Notes forming part of the Financial Statements

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

Foreign Currency	March 31, 2016			March 31, 2015		
	No. of Contracts	Notional amount of Currency Forward contracts ₹ in Millions	Fair Value gain / (loss) ₹ in Millions	No. of Contracts	Notional amount of Currency Forward contracts ₹ in Millions	Fair Value gain / (loss) ₹ in Millions
U.S. Dollar	108	9.54	12.58	103	10.49	11.20
Euro	57	2.32	5.04	67	3.81	34.84
Sterling Pound	93	3.78	36.03	44	2.20	26.15
<b>Total</b>			<b>53.65</b>			<b>72.19</b>

Net profit on derivative instruments of ₹ 53.65 million (₹ 72.19 million) recognised in Hedging Reserve Account as of March 31, 2016, is expected to be reclassified to the Statement of Profit and Loss by March 31, 2018. The foreign currency exposures that are not hedged by a derivative instrument or otherwise is Nil.

The Company has applied the principles of Cash Flow Hedge Accounting as per Accounting Standard (AS) - 30, Financial Instrument: Recognition and Measurement, along with limited revision to other accounting standards, issued by The Institute of Chartered Accountants of India. AS-30, along with limited revision to the other accounting standards, have not currently been notified by the National Advisory Council for Accounting Standard (NACAS) pursuant to the Companies(AS) rules, 2006 as per section 211(3C) of the Companies Act, 1956.

### 29 AUDITOR'S REMUNERATION INCLUDES

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
For services as auditors, including quarterly audits	2.14	1.60
For other services	0.37	0.37
Reimbursement of out of pocket expenses	0.03	0.07
<b>Total</b>	<b>2.54</b>	<b>2.04</b>

### 30 ACTIVITIES IN FOREIGN CURRENCY

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>(i) Earning in Foreign Currency</b>		
FOB Value of Exports	1,937.17	1,798.29
Corporate Guarantee Fees	1.97	1.83
<b>Total</b>	<b>1,939.14</b>	<b>1,800.12</b>
<b>(ii) Expenditure in Foreign Currency</b>		
CIF Value of Import of Capital Goods	3.44	4.38
Purchase of Product and Licenses	11.75	-
Software Maintenance Charges	8.33	2.80
Travelling Expenses	121.23	114.78
Technical and Professional Fees	21.93	49.35
Interest Expense	17.94	23.13
Others	3.46	3.09
<b>Total</b>	<b>188.08</b>	<b>197.53</b>

## Notes forming part of the Financial Statements

### (iii) Remittance of Foreign Currency for Dividend

	March 31, 2016	March 31, 2015
No. of Non-resident Shareholders	5	5
No. of equity shares held on which dividend was due	2,48,250	2,48,250
The year to which the dividend relates	2014-15	2013-14 and 2014-15
Amount remitted in equivalent dollar (\$)	2,427	6,423
Amount remitted in equivalent Rupees (₹)	1,61,363	3,97,200

**31** In the opinion of the Company, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known liabilities and for depreciation is adequate and not in excess of the amount reasonably necessary.

**32** The Company has received confirmations from few Trade receivables, Other receivables and for majority of loans and advances. Remaining Trade receivables, Other receivables, Trade payables and loans and advances are subject to confirmation and reconciliation and consequent impact if any will be adjusted as and when determined.

### 33 EMPLOYEE BENEFITS

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

The present value of gratuity obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation of leave benefits (unfunded) is also recognised using the projected unit credit method.

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>Defined Contribution Plan</b>		
<b>I. Charge to the Statement of Profit and Loss based on contributions:</b>		
Employers Contribution to Provident Fund	65.74	40.08
Employers Contribution to Employees' State Insurance	12.18	8.15
Employers Contribution to Employees' Pension Scheme 1995	1.49	0.98
Employers Contribution to Labour Welfare Fund and Others	0.22	0.14
Included in Contribution to Provident Fund and Other Funds (Refer Note no. 23)	79.63	49.35
	<b>Gratuity (Unfunded)</b>	
<b>Defined Benefit Plan</b>		
<b>I. Disclosures for defined benefit plans based on actuarial reports as on March 31, 2016</b>		
<b>A. Change in Defined Benefit Obligation:</b>		
Present Value of Defined Benefit Obligation as at the beginning of the year	53.75	42.41
Interest Cost	4.08	3.83
Current Service Cost	3.21	4.73
Acquisition / Business Combination / Divestiture	5.35	-
Benefits Paid	(9.11)	(4.77)
Actuarial (Gain) / Loss	(4.39)	7.55
Present Value of Defined Benefit Obligation as at the end of the year	52.89	53.75
Included in Long-Term and Short-Term Provisions (Refer Note no. 8 and 11)		



## Notes forming part of the Financial Statements

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>B. Changes in Fair Value of Assets:</b>		
Contributions by the employer	9.11	4.77
Benefits Paid	(9.11)	(4.77)
Fair Value of Plan Asset as at end of the year	-	-
<b>C. Amount recognised in the Balance Sheet:</b>		
Present value of defined benefit obligation as at end of the year	(52.89)	(53.75)
Net Asset / (Liability) recognised in Balance Sheet (Refer Note no. 8 and 11)	52.89	53.75
<b>D. Expenses recognised in the Statement of Profit and Loss:</b>		
Current Service Cost	3.21	4.73
Interest Cost	4.08	3.83
Actuarial (Gain) / Loss	(4.39)	7.55
Total Expenses recognised in the Statement of Profit and Loss	2.90	16.11
Included in Salaries,Wages,Bonus and allowances (Refer Note no. 23)		
<b>E. Principal Actuarial Assumptions used:</b>		
1. Discount Rate (per annum)	7.80%	8.04%
2. Salary Escalation	4.50%	4.50%
3. Mortality table	Indian Assured Lives Mortality (2006-2008)	Indian Assured Lives Mortality (2006-2008)
<b>F. Experience Adjustments:</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Experience Adjustments on Plan Liability (Gain) / Loss	(5.45)	0.19
<b>G. Change in Defined Benefit Obligation:</b>	<b>March 31, 2014</b>	<b>March 31, 2013</b>
Actuarial (Gain) / Loss	(4.39)	7.55
	9.92	0.71
		(7.13)

**Note:**

Provision towards liability for Leave Encashment made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value liability is ₹ 39.94 million (₹ 24.80 million) based upon following assumptions:

	March 31, 2016	March 31, 2015
Discount Rate	7.80%	8.04%
Salary Escalation	4.50%	4.50%

## Notes forming part of the Financial Statements

### 34 SEGMENT REPORTING

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

Performance of Business Segment is as follows:

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
<b>Revenue</b>		
Sale to External Customers	2,816.09	1885.74
Segment Result Profit	311.17	211.49
Other Income	51.42	79.40
Direct Taxes	87.66	37.51
Profit from Ordinary Activities	274.93	253.38
Net Profit	323.52	253.38
<b>Other Segment Information</b>		
Capital Expenditure	222.50	71.46
Depreciation and Amortization	123.39	84.20
Non Cash Expenses other than Depreciation (net)	7.34	4.38
<b>Particulars of Segment Assets and Liabilities</b>		
Segment Assets	2,176.01	1,790.86
Investments	2,999.98	2,783.35
Bank Deposits	2.29	14.18
Other Assets	240.11	504.14
<b>Total Assets</b>	<b>5,418.39</b>	<b>5,092.53</b>
Segment Liabilities	911.28	885.49
Other Liabilities	63.92	50.30
<b>Total Liabilities</b>	<b>975.20</b>	<b>935.79</b>

### Geographic Segment

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

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
USA	871.05	727.66
Europe	1,031.75	1,012.14
India	878.91	87.45
Rest of World	34.38	58.49
<b>Total</b>	<b>2,816.09</b>	<b>1,885.74</b>

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

## Notes forming part of the Financial Statements

### 35 RELATED PARTY DISCLOSURES

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

#### (A) Subsidiary Companies

Datamatics Software Services Limited (Merged with DGSL w.e.f. April 1, 2015)  
 Datamatics Vista Info Systems Limited (Merged with DGSL w.e.f. April 1, 2015)  
 Cybercom Datamatics Information Solutions Limited  
 Datamatics Global Services Inc.  
 Datamatics Global Services GmbH  
 Datamatics Technologies UK Limited  
 Datamatics Global Technologies Limited  
 Datamatics Global Technologies AG  
 Datamatics Infotech Limited  
 Datamatics Global Services Pty. Limited  
 Datamatics Global Technologies GmbH (Stepdown Subsidiary)  
 Cignex Datamatics Corporation (Stepdown Subsidiary)  
 Cignex Datamatics Technologies Limited (Stepdown Subsidiary)  
 Cignex Datamatics Inc. USA (Stepdown Subsidiary)  
 Cignex Datamatics Inc. Michigan (Stepdown Subsidiary)  
 Cignex Datamatics Pte. Limited (Stepdown Subsidiary)  
 Cignex Datamatics GmbH (Stepdown Subsidiary)  
 Datamatics Global Solutions GmbH (Stepdown Subsidiary)  
 Lumina Datamatics Limited  
 Datamatics Global Services FZ - LLC  
 Lumina Datamatics Inc. (Stepdown Subsidiary)  
 Lumina Datamatics GmbH (Stepdown Subsidiary)  
 LDR eRetail Limited (Stepdown Subsidiary)  
 Lumina Datamatics Assessment & Analytics LLC (Stepdown Subsidiary)  
 LD Publishing and eRetail Limited  
 Cignex Datamatics UK Limited (Stepdown Subsidiary)  
 Duo Design LLC (Stepdown Subsidiary)

#### (B) Key Managerial Personnel

Dr. Lalit S. Kanodia  
 Mr. Rahul L. Kanodia  
 Mr. Sameer L. Kanodia  
 Mr. Vidur V. Bhogilal (till September 21, 2015)  
 Ms. Divya Kumari  
 Mr. Siddharth B. Saboo (w.e.f. November 16, 2015)

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

Mrs. Asha L. Kanodia  
 Mrs. Aneesha Dalmia  
 Mrs. Priyadarshini Kanodia  
 Mr. Vidur V. Bhogilal (w.e.f. September 22, 2015)  
 Datamatics Staffing Services Limited  
 Datamatics Employees Welfare Trust  
 Datamatics Financial Services Limited  
 Amon Technologies Private Limited  
 Datamatics Management Services LLP  
 Anemone Management Consultancy Private Limited  
 Latasha Consultancy Services Private Limited  
 Datascan Services (Partnership Firm)

#### (D) Holding Company

Delta Infosolutions Private Limited

## Notes forming part of the Financial Statements

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

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Sales - Technical Services</b>	<b>922.07</b>	515.78	-	-	-	-	-	-
Datamatics Global Services Inc.	<b>474.21</b>	389.89	-	-	-	-	-	-
Datamatics Global Technologies Limited	<b>5.27</b>	5.02	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	<b>2.04</b>	1.45	-	-	-	-	-	-
Datamatics Infotech Limited	<b>430.62</b>	74.98	-	-	-	-	-	-
Datamatics Global Solutions GmbH	-	0.88	-	-	-	-	-	-
Datamatics Software Services Limited	-	43.56	-	-	-	-	-	-
Cignex Datamatics Inc.	<b>9.93</b>	-	-	-	-	-	-	-
<b>Technical Fees / Outsourcing Costs</b>	<b>13.10</b>	46.19	-	-	<b>8.72</b>	1.48	-	-
Datamatics Global Services GmbH	<b>8.07</b>	15.61	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	<b>2.59</b>	0.80	-	-	-	-	-	-
Lumina Datamatics Limited	-	26.92	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	<b>2.44</b>	2.86	-	-	-	-	-	-
Datamatics Staffing Services Limited	-	-	-	-	<b>8.72</b>	1.48	-	-
<b>Purchase of IT Product and Licenses</b>	<b>7.92</b>	-	-	-	-	-	-	-
Datamatics Global Technologies Limited	<b>7.92</b>	-	-	-	-	-	-	-
<b>Purchase of Fixed Assets</b>	-	0.23	-	-	-	-	-	-
Datamatics Vista Info Systems Limited	-	0.23	-	-	-	-	-	-
<b>Expenses Incurred by Related Parties</b>	<b>5.35</b>	5.56	-	-	-	-	-	-
Datamatics Global Services GmbH	<b>0.29</b>	0.21	-	-	-	-	-	-
Lumina Datamatics Limited	<b>5.05</b>	5.35	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	<b>0.01</b>	-	-	-	-	-	-	-
<b>Expenses Incurred for Related Parties</b>	<b>42.81</b>	80.61	-	-	-	-	-	-
Datamatics Software Services Limited	-	35.59	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	<b>0.02</b>	0.02	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	-	0.42	-	-	-	-	-	-
Lumina Datamatics Limited	<b>41.65</b>	44.58	-	-	-	-	-	-
LDR eRetail Limited	<b>1.14</b>	-	-	-	-	-	-	-
<b>Provision for Diminution in Value of Investment</b>	<b>65.66</b>	-	-	-	-	-	-	-
Datamatics Global Services GmbH	<b>65.66</b>	-	-	-	-	-	-	-
<b>Managerial Remuneration</b>	-	-	<b>21.03</b>	21.31	-	-	-	-
Dr. Lalit S. Kanodia	-	-	<b>6.27</b>	5.83	-	-	-	-
Mr. Rahul L. Kanodia	-	-	<b>8.49</b>	8.46	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	<b>1.54</b>	2.09	-	-	-	-
Mr. Sameer L. Kanodia	-	-	<b>4.73</b>	4.93	-	-	-	-
<b>Salaries</b>	-	-	<b>6.68</b>	4.07	<b>1.94</b>	1.90	-	-
Mrs. Priyadarshini Kanodia	-	-	-	-	<b>1.94</b>	1.90	-	-
Mr. Siddharth B. Saboo	-	-	<b>1.32</b>	-	-	-	-	-
Ms. Divya Kumart	-	-	<b>5.36</b>	4.07	-	-	-	-
<b>Commission</b>	-	-	<b>9.00</b>	6.00	<b>0.20</b>	0.13	-	-
Dr. Lalit S. Kanodia	-	-	<b>4.50</b>	3.00	-	-	-	-
Mr. Rahul L. Kanodia	-	-	<b>4.50</b>	3.00	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	<b>0.20</b>	0.13	-	-
<b>Proposed Dividend</b>	-	-	<b>1.18</b>	4.60	<b>1.21</b>	3.50	<b>7.95</b>	20.68
Dr. Lalit S. Kanodia	-	-	<b>0.81</b>	2.49	-	-	-	-
Mr. Rahul L. Kanodia (₹ 52 (₹ 135))	-	-	<b>0.00</b>	0.00	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	-	1.15	<b>0.38</b>	-	-	-
Mr. Sameer L. Kanodia	-	-	<b>0.37</b>	0.96	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	<b>0.83</b>	2.54	-	-

## Notes forming part of the Financial Statements

(₹ in Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Mrs. Priyadarshini Kanodia	-	-	-	-	-	0.96	-	-
Delta Infosolutions Private Limited	-	-	-	-	-	-	7.95	20.68
<b>Interim Dividend</b>	-	-	2.36	2.48	2.41	1.89	15.91	11.13
Dr. Lalit S. Kanodia	-	-	1.62	1.34	-	-	-	-
Mr. Rahul L. Kanodia (₹ 104 (₹ 74))	-	-	0.00	0.00	-	-	-	-
Mr. Vidur V. Bhogilal	-	-	-	0.62	0.76	-	-	-
Mr. Sameer L. Kanodia	-	-	0.74	0.52	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	1.65	1.37	-	-
Mrs. Priyadarshini Kanodia	-	-	-	-	-	0.52	-	-
Delta Infosolutions Private Limited	-	-	-	-	-	-	15.91	11.13
<b>Sitting Fee</b>	-	-	-	-	0.18	0.10	-	-
Mrs. Asha L. Kanodia	-	-	-	-	0.18	0.10	-	-
<b>Recruitment Expenses</b>	-	-	-	-	0.34	0.09	-	-
Datamatics Staffing Services Limited	-	-	-	-	0.34	0.09	-	-
<b>Legal and Professional Fees</b>	-	-	-	-	0.95	0.29	-	-
Datamatics Financial Services Limited	-	-	-	-	0.28	0.29	-	-
Mrs. Aneesha Dalmia	-	-	-	-	0.67	-	-	-
<b>Interest and Other income</b>	16.78	35.48	-	-	48.59	-	-	-
Datamatics Software Services Limited	-	12.41	-	-	-	-	-	-
Datamatics Global Services Inc.	1.97	1.83	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	13.85	20.28	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	0.96	0.96	-	-	-	-	-	-
Datamatics Employee Welfare Trust	-	-	-	-	48.59	-	-	-
<b>Guarantees</b>	197.38	191.75	-	-	-	-	-	-
Datamatics Global Services Inc.	99.38	93.75	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	48.00	48.00	-	-	-	-	-	-
Cybercom Datamatics Information Solutions Limited	50.00	50.00	-	-	-	-	-	-
<b>Interest Expenses</b>	-	-	0.80	-	0.30	-	-	-
Dr. Lalit S. Kanodia	-	-	0.25	-	-	-	-	-
Mr. Sameer L. Kanodia	-	-	0.55	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	0.30	-	-	-
<b>Loan from Directors</b>	-	-	72.80	-	27.20	-	-	-
Dr. Lalit S. Kanodia	-	-	22.80	-	-	-	-	-
Mr. Sameer L. Kanodia	-	-	50.00	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	27.20	-	-	-
<b>Loans and Advances Repaid during the year</b>	53.89	440.58	-	-	62.69	0.62	-	-
Datamatics Software Services Limited	-	398.84	-	-	-	-	-	-
Datamatics Infotech Limited	6.07	10.39	-	-	-	-	-	-
Datamatics Global Services FZ - LLC	40.91	0.86	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	0.28	0.30	-	-	-	-	-	-
Datamatics Global Services Inc.	4.17	0.11	-	-	-	-	-	-
Lumina Datamatics Limited	2.46	30.08	-	-	-	-	-	-
Datamatics Employee Welfare Trust	-	-	-	-	62.69	0.62	-	-
<b>Loans and Advances Given during the year</b>	45.38	491.18	-	-	-	0.02	-	-
Datamatics Global Services Inc.	1.50	1.28	-	-	-	-	-	-
Datamatics Software Services Limited	-	450.34	-	-	-	-	-	-
Datamatics Infotech Limited	6.44	10.90	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	-	0.63	-	-	-	-	-	-
Lumina Datamatics Limited	5.26	12.62	-	-	-	-	-	-
Datamatics Global Services FZ- LLC	32.18	15.41	-	-	-	-	-	-
Datamatics Employee Welfare Trust	-	-	-	-	-	0.02	-	-

## Notes forming part of the Financial Statements

(₹ in Millions)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
<b>Investments in Capital of Subsidiaries</b>	<b>312.50</b>	-	-	-	-	-	-	-
<b>Pending Allotment</b>								
LD Publishing & eRetail Limited	0.50	-	-	-	-	-	-	-
Lumina Datamatics Limited	312.00	-	-	-	-	-	-	-
<b>Redemption of Preference Shares</b>	<b>18.33</b>	45.82	-	-	-	-	-	-
Datamatics Global Technologies Limited	18.33	45.82	-	-	-	-	-	-
<b>Payables</b>	<b>10.50</b>	15.94	<b>82.53</b>	6.00	<b>27.76</b>	-	-	-
Dr. Lalit S. Kanodia	-	-	27.53	3.00	-	-	-	-
Mr. Rahul L. Kanodia	-	-	4.50	3.00	-	-	-	-
Mr. Sameer L. Kanodia	-	-	50.50	-	-	-	-	-
Mrs. Asha L. Kanodia	-	-	-	-	27.67	-	-	-
Datamatics Financial Services Limited	-	-	-	-	0.02	-	-	-
Datamatics Global Services GmbH	1.85	2.00	-	-	-	-	-	-
Datamatics Global Technologies Limited	7.04	-	-	-	-	-	-	-
Cignex Datamatics Technologies Limited	0.18	0.42	-	-	-	-	-	-
Datamatics Staffing Services Limited	-	-	-	-	0.07	-	-	-
Lumina Datamatics Limited	1.43	13.52	-	-	-	-	-	-
<b>Receivables</b>	<b>158.11</b>	430.78	-	-	<b>0.07</b>	62.76	-	-
Datamatics Global Services Inc.	62.46	78.09	-	-	-	-	-	-
Datamatics Global Services GmbH	0.25	0.22	-	-	-	-	-	-
Datamatics Software Services Limited	-	302.31	-	-	-	-	-	-
Datamatics Global Technologies Limited	1.84	0.32	-	-	-	-	-	-
Datamatics Infotech Limited	65.57	12.56	-	-	-	-	-	-
Datamatics Global Services Pty. Limited	2.04	1.73	-	-	-	-	-	-
Datamatics Financial Services Limited	-	-	-	-	0.07	0.07	-	-
Datamatics Global Technologies GmbH	2.01	1.79	-	-	-	-	-	-
Datamatics Global Solutions GmbH	1.74	1.55	-	-	-	-	-	-
Datamatics Global Services FZ - LLC	11.83	17.77	-	-	-	-	-	-
Lumina Datamatics Limited	2.57	14.44	-	-	-	-	-	-
Cignex Datamatics Inc.	7.80	-	-	-	-	-	-	-
Datamatics Employee Welfare Trust	-	-	-	-	-	62.69	-	-

**Note:**

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

- 36** 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 25. 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 residential and office premises:

	March 31, 2016 ₹ in Millions	March 31, 2015 ₹ in Millions
Amount due not later than one year	39.36	34.46
Amount due in the period between one year and five years	77.42	86.91
Amount due later than five years	6.44	26.23
The Following Lease payments are recognized in the Statement of Profit and Loss:		
Lease Rent	45.09	26.48

**Note:**

- (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.



# Notes forming part of the Financial Statements

## 37 EARNINGS PER SHARE

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

	March 31, 2016	March 31, 2015
(a) Net Profit after taxation attributable to equity shareholders (₹ in million)	<b>323.52</b>	253.38
(b) Extraordinary Item (₹ in million)	<b>48.59</b>	-
(c) Net Profit Before Extraordinary Item (₹ in million)	<b>274.93</b>	253.38
(d) Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.)	<b>5,89,49,337</b>	5,89,49,337
(e) Earnings per share (Before Extraordinary Item) (Nominal value per share ₹ 5 each)		
Basic and Diluted earnings per share (in ₹) (c/d)	<b>4.66</b>	4.30
(f) Earnings per share (After Extraordinary Item) (Nominal value per share ₹ 5 each)		
Basic and Diluted earnings per share (in ₹) (a/d)	<b>5.49</b>	4.30

## 38 EMPLOYEE STOCK OPTION SCHEME

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

During the year, an amount of ₹ 2.65 million (₹ 0.68 million) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus and Allowances and the balance has been disclosed under Reserves and Surplus as reduction from Employee Stock Option Outstanding.

**39** The Company has ₹ 0.89 million (₹ 3.33 million) as outstanding Loans and Advances (Refer note no. 41 below) and ₹ 670.18 million (₹ 995.12 million) as investment in three of its 100% Subsidiaries at the year end. The net worth of these subsidiaries has declined. The Company has assured financial support. These investments are for long term and are of strategic nature. As the Management is confident of turning around the subsidiaries in the near future provision for diminution in the value, if at all required, is not made.

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

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

## Notes forming part of the Financial Statements

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

(₹ in Millions)	
Particulars	DSSL
Fixed Assets	7.23
Non-Current Investments	183.45
Long-Term Loans and Advances	42.18
Deferred Tax Asset	6.91
Current Investments	10.74
Trade Receivables	185.50
Cash and Bank Balances	27.11
Short-Term Loans and Advances	61.70
Other Current Assets	2.50
<b>Total Assets</b>	<b>527.32</b>
Less : Long-Term Borrowings	257.72
Long-Term Provisions	6.47
Trade Payables	80.03
Other Current Liabilities	16.27
Short-Term Provisions	3.51
<b>Net Assets</b>	<b>163.32</b>
Less: Cancellation of investments in Equity Shares	2.04
in Preference Shares	129.20
<b>Capital Reserve</b>	<b>32.08</b>

(₹ in Millions)	
Particulars	DVISTA
Fixed Assets	4.44
Long-Term Loans and Advances	41.20
Deferred Tax Asset	3.68
Trade Receivables	53.19
Cash and Bank Balances	6.36
Short-Term Loans and Advances	2.23
Other Current Assets	3.48
<b>Total Assets</b>	<b>114.58</b>
Less : Trade Payables	6.36
Other Current Liabilities	2.12
Short-Term Borrowings	43.18
Short-Term Provisions	3.52
<b>Net Assets</b>	<b>59.40</b>
Less: Cancellation of investments in Equity Shares	183.45
<b>(Goodwill)</b>	<b>(124.05)</b>

(Goodwill on amalgamation is amortised over a period of 5 years. Accordingly ₹ 24.81 million is amortised during F.Y. 2015-16.)

### 41 LOANS AND ADVANCES TO SUBSIDIARIES

(₹ in Millions)				
Particulars	Balance Outstanding as on March 31, 2016	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2015	Maximum amount outstanding during the year
Datamatics Software Services Limited @	-	257.72	257.72	257.72
Datamatics Global Services Inc. *	0.89	4.72	3.33	3.72
Datamatics Infotech Limited *	1.01	6.55	0.83	4.53
Datamatics Global Services Pty Limited *	-	0.28	0.28	0.33
Datamatics Global Technologies Limited *	-	0.34	0.32	0.32
Lumina Datamatics Limited *	2.50	40.70	14.44	27.73
Datamatics Global Services FZ - LLC *	11.83	33.08	17.77	17.77
LDR eRetail Limited *	-	1.19	-	-
<b>TOTAL</b>	<b>16.23</b>	<b>344.58</b>	294.69	312.12

@ Now merged with the Company.

\* Interest free Advances.

# Notes forming part of the Financial Statements

## 42 INFORMATION UNDER SECTION 186 (4) OF THE COMPANIES ACT, 2013

				(₹ in Millions)	
		March 31, 2015	Given	Repaid	March 31, 2016
a)	Loans Given				
i	To Wholly Owned Subsidiaries#	257.72	-	257.72	-
ii	In the form of unsecured short term	30.00	-	30.00	-
	Inter-Corporate Deposits*				

# Loan given to subsidiary gets knocked off as per the Scheme of Amalgamation. (Refer Note 40).

\* Inter-Corporate Deposits are given as a part of treasury operations of the Company on following terms :

a) All loans are given to unrelated corporate entities.

b) All loans are short term in nature.

c) All the loans are provided for business purposes of respective entities, repayable on demand with prepayment option to the borrower.

### b) Investments Made

There are no Investments by Company other than those stated under Note 13 and Note 16 in the financial statements.

### c) Guarantees Given

To secure obligations of Wholly owned subsidiary - Guarantees to Banks

		(₹ in Millions)
March 31, 2016	March 31, 2015	
197.38	191.75	

### d) Securities Given

There are no securities given during the year.

**43** During the year, Datamatics Global Services GmbH (DGSG), a subsidiary Company along with its subsidiary Datamatics Global Solutions GmbH (DGSOLG) have filed for voluntary winding up / liquidation / de registration procedure on June 15, 2015. This procedure generally takes atleast a year. Considering this fact, DGSG along with its subsidiary viz. DGSOLG is currently carrying on its operations prior to closing as contractually / statutorily required. In view of that, appropriate provision for diminution in the value of investments of ₹ 65.66 million has been made which is Exceptional Item.

**44** In terms of Section 22 of the Micro, Small and Medium Enterprises Development Act 2006, the outstanding to these enterprises are required to be disclosed. However, these enterprises are required to be registered under the Act. In the absence of the information about registration of the enterprises under the above Act, the required information could not be furnished.

**45** 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.

## 46 INTERNATIONAL AND DOMESTIC TRANSFER PRICING

The Management is of the opinion that its international and domestic transactions are at arm's length as per the independent accountants report for the year ended March 31, 2015. The Management continues to believe that its international transactions and the specified domestic transactions during the current financial year are at arm's length and that the transfer pricing legislation will not have any impact on these financial statements, particularly on amount of tax expense and that of provision for taxation.

## Notes forming part of the Financial Statements

### 47 CORPORATE SOCIAL RESPONSIBILITY

As per Section 135 of the Companies Act, 2013, a CSR committee has been formed by the Company. The Company is required to spend ₹ 6.59 million of which ₹ 1.85 million has been spent on activities specified in Schedule VII of the Companies Act, 2013. The entire amount has been paid during the year.

- 48** In the year ended March 31, 2015 pursuant to the notification of Schedule II to the Companies Act, 2013, with effect from April 1, 2014, the Company revised the estimated useful life of relevant assets to align the useful life with those specified in Schedule II. Pursuant to the transitional provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of the assets, net of residual value, where the remaining useful life of the asset was determined to be Nil as on April 1, 2014, and adjusted an amount of ₹ 27.40 million (net of deferred tax asset of ₹ 9.27 million) against the opening balance in the Statement of Profit and Loss under Reserves and Surplus.

Consequent to the change in the useful life of the assets, the depreciation expense in the Statement of Profit and Loss for the previous year is higher by ₹ 26.62 million and profit before tax for the year is lower by the like amount.

### 49 PRIOR PERIOD COMPARATIVE

Previous year figures have been appropriately regrouped / reclassified and rearranged wherever necessary to conform to the current year's presentation. Previous year figures do not include the figures of erstwhile DSSL and DVISTA which are amalgamated with the Company with effect from April 1, 2015. Consequently, the comparative figures are not comparable with the figures for the year ended March 31, 2016. (Refer Note 40)

- 50** Figures in brackets pertains to previous year.

As per our attached report of even date

**For Kanu Doshi Associates LLP**

Chartered Accountants

Firm Registration No. 104746W/W100096

**Jyoti Kawa**

Partner

Membership No. 105654

Place: Mumbai

Dated: May 27, 2016

For and on behalf of the Board

**Dr. Lalit S. Kanodia**

DIN 00008050

Chairman

**R. K. Saraswat**

DIN 00015095

Director

**Rahul L. Kanodia**

DIN 00075801

Vice Chairman & CEO

**Divya Kumat**

Senior Vice President - Legal  
& Company Secretary

**Siddharth B. Saboo**

Chief Financial Officer

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

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Capital	Reserves	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit / (Loss) before taxation (2)	Provision for taxation (2)	Profit / (Loss) after taxation (2)	Percentage of Shareholding	Country
1	Datamatics Global Services Inc	USD	66.25	1,846.31	(1,543.84)	550.55	248.08	0.39	1,752.38	(32.40)	-	(32.40)	100.00%	USA
2	Datamatics Global Services GmbH **	EUR	75.43	226.29	(196.38)	32.55	2.64	-	10.66	(37.57)	(0.01)	(37.56)	100.00%	Germany
3	Datamatics Technologies UK Limited	GBP	95.51	28.65	(28.57)	0.08	-	-	-	0.00	-	0.00	100.00%	UK
4	Datamatics Infotech Limited	GBP	95.51	1.91	74.77	175.14	98.46	-	620.80	21.97	4.68	17.29	100.00%	UK
5	Datamatics Global Services Pvt Limited	AUD	90.84	2.54	0.88	5.85	2.43	-	5.11	0.34	0.02	0.32	100.00%	Australia
6	Datamatics Global Technologies Limited	USD	66.25	937.44	66.68	1,006.17	2.05	-	14.56	8.07	0.46	7.61	100.00%	Mauritius
7	Cybercom Datamatics Information Solutions Limited	INR	1.00	8.48	142.35	172.32	21.49	81.40	79.40	40.52	8.36	32.16	50.50%	India
8	Lumina Datamatics Limited	INR	1.00	773.99	1,513.53	2,436.92	149.40	342.31	960.40	95.29	28.56	66.73	73.12%	India
9	Lumina Datamatics Inc.	USD	66.25	2,337.74	(1,430.86)	1,093.49	186.61	-	1,604.49	102.97	3.82	99.15	73.12%	USA
10	Lumina Datamatics GmbH	EUR	75.43	15.09	(1.38)	23.32	9.61	-	30.47	0.50	0.00	0.50	73.12%	Germany
11	LDR eRetail Limited	INR	1.00	17.10	(18.75)	6.36	8.01	3.40	-	(18.75)	-	(18.75)	73.12%	India
12	Lumina Datamatics Assessment & Analytics LLC	USD	66.25	104.96	(22.16)	118.41	35.61	-	36.88	(33.49)	-	(33.49)	73.12%	USA
13	LD Publishing & eRetail Limited	INR	1.00	-	-	-	-	-	-	-	-	-	100.00%	India
14	Datamatics Global Services FZ LLC	AED	18.04	0.90	78.81	94.17	14.46	-	126.12	61.75	-	61.75	100.00%	Dubai
15	Datamatics Global Technologies AG **	CHF	69.02	3.45	(1.47)	2.58	0.60	-	-	(0.96)	-	(0.96)	100.00%	Switzerland
16	Cignex Datamatics Corporation	USD	66.25	26.75	0.15	27.01	0.11	-	-	-	-	-	60.78%	BVI
17	Cignex Datamatics Inc. (USA)	USD	66.25	122.36	(26.05)	604.61	508.30	5.13	1,670.65	(67.04)	4.11	(71.15)	60.78%	USA
18	Cignex Datamatics Inc. (Michigan)	USD	66.25	0.04	(1.25)	135.51	136.72	-	4.79	(1.25)	-	(1.25)	60.78%	USA
19	Cignex Datamatics Technologies Limited	INR	1.00	0.50	243.26	318.29	74.53	50.60	547.43	2.66	(0.12)	2.78	60.78%	India
20	Cignex Datamatics Pte. Limited	SGD	49.20	0.00	6.58	8.77	2.19	-	-	(2.50)	-	(2.50)	60.78%	Singapore
21	Cignex Datamatics UK Limited	GBP	95.51	0.01	0.12	15.88	15.75	-	14.12	0.12	-	0.12	60.78%	UK
22	Cignex Datamatics GmbH	EUR	75.43	1.89	(2.10)	7.09	7.30	-	19.29	1.00	-	1.00	60.78%	Germany
23	Duo Design LLC	USD	66.25	113.10	(108.86)	38.94	34.70	-	11.12	(4.42)	-	(4.42)	40.11%	USA
24	Datamatics Global Technologies GmbH **	EUR	75.43	43.37	(42.14)	11.68	10.45	-	-	-	-	-	100.00%	Germany
25	Datamatics Global Solutions GmbH **	EUR	75.43	3.77	(3.64)	6.66	6.53	-	31.43	(12.39)	-	(12.39)	100.00%	Germany

### Note:

- 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, 2016.
- Converted at monthly average exchange rates.
- Investments represents investments other than investments in subsidiaries.
- The reporting period for all the Subsidiaries is March 31, 2016
- Under liquidation. \*\*
- Proposed dividend from any of the Subsidiaries is Nil.

### For and on behalf of the Board

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

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

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

**Siddharth B. Saboo**  
Chief Financial Officer

**Place: Mumbai**  
**Dated: May 27, 2016**  
**Divya Kumat**  
Senior Vice President - Legal & Company Secretary

## The Year at a Glance

(₹ in Million)

	Consolidated		Growth (%)
	March 31, 2016	March 31, 2015	
<b>For the year</b>			
Operating revenue	8,161.78	8,279.95	(1.43)
Total revenue	8,346.29	8,346.58	(0.00)
Operating profit	1,706.78	1,616.31	5.60
Operating profit % revenue	20.91	19.52	-
Profit before tax (PBT)	581.30	640.54	(9.25)
PBT as % to Total revenue	6.96	7.67	-
Profit after tax (PAT)	443.75	485.14	(8.53)
PAT as % to Total revenue	5.32	5.81	-
<b>Earnings per Share</b>			
Basic	7.61	7.33	3.75
Diluted	7.45	7.30	2.10
Dividend per share	0.75	1.00	-
Dividend amount including tax	68.38	92.37	-
Average net worth	4,007.97	3,589.10	11.67
PAT % to average net worth	11.07	13.52	-
<b>At the end of the year</b>			
Total assets	7,376.80	6,761.81	9.09
Fixed assets (net)	2,573.47	2,491.26	3.30
Cash and cash equivalents	627.85	716.44	(12.37)
Total debt	901.12	922.17	-
Net worth	4,199.74	3,816.20	10.05
Equity	294.75	294.75	-



## Notes

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