

Datamatics Global Services Limited

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



August 23, 2018

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

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

Subject: Annual Report for the financial year 2017-18

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 2017-18, duly approved and adopted by Members of the Company at the 30th Annual General Meeting held on Tuesday, August 14, 2018 at 04.00 p.m at Babubhai Chinai Committee Room, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.

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

Kindly take the above on your record.

Thanking you,

For Datamatics Global Services Limited

R Divya Kumari
Executive Vice President,
Chief Legal Officer & Company Secretary



INTELLIGENT SOLUTIONS FOR DATA DRIVEN BUSINESSES



What's Inside

COMPANY OVERVIEW

Corporate Information.....	1
Company Overview	2
Events	4
Acquisitions and Partnerships.....	6
Board of Directors	8
Leadership Team	10
Chairman's Message	12
Message from the Vice-Chairman & CEO	14
Financial Highlights Standalone	16
Financial Highlights Consolidated.....	17
Awards & Accolades.....	18

STRATEGIC REPORT

Board's Report	20
Management Discussion and Analysis Report.....	52
Report on Corporate Governance.....	62

FINANCIAL STATEMENTS

Independent Auditor's Report on Consolidated Ind AS Financial Statements.....	80
Consolidated Balance Sheet,.....	84
Consolidated Statement of Profit & Loss, Consolidated Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes	
Independent Auditor's Report on Standalone Financial Statements.....	146
Standalone Balance Sheet,.....	152
Statement of Profit & Loss, Statement of Changes in Equity, Cash Flow Statement and Notes	
Statement pursuant to Section 129 of the Companies Act, 2013	207
Year at a glance.....	208

Datamatics Global Services Limited

Annual Report 2017-18



View Online:
[https://www.datamatics.com/
investors/financials](https://www.datamatics.com/investors/financials)



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 Business Solutions 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@datamaticsbpm.com

EXECUTIVE VICE PRESIDENT, CHIEF LEGAL OFFICER & COMPANY SECRETARY

Divya Kumat

AUDITORS

M/s. M L Bhuwania And Co 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



Company Overview



Datamatics Global Services Limited (Datamatics) builds intelligent solutions for data-driven-businesses to improve their productivity and customer experience. The Company portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics, which are powered by Artificial Intelligence. The Company also has established products in Robotics Process Automation, Advanced Analytics, Business Intelligence and Automated Fare Collection.

Datamatics has adopted the highest standards of service quality and operational excellence. Headquartered in Mumbai, the Company has a strong presence in USA, Australia, Asia, Europe, and the Middle East and caters to over 450+ customers through an employee base of 10,000+ globally.



Vision

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



Mission

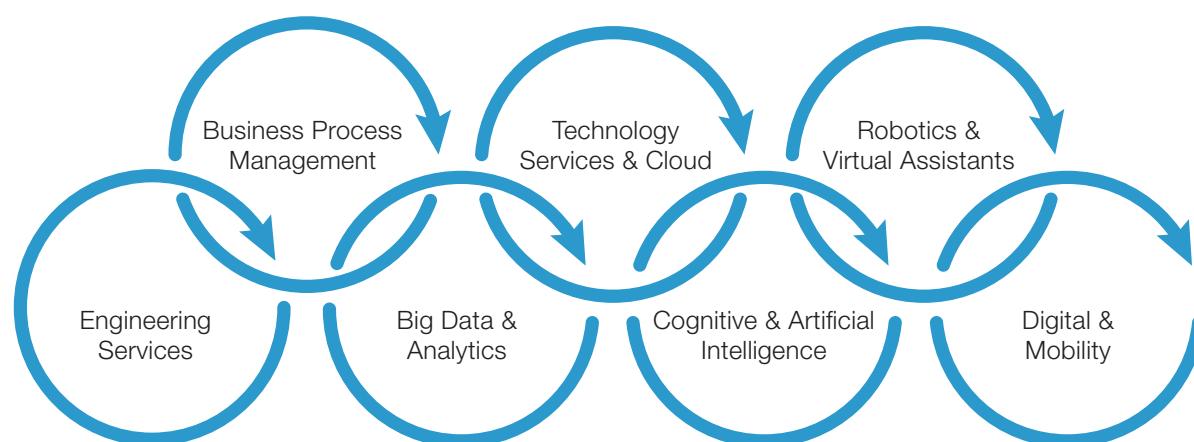
To Enhance Business Efficiency through Smart Solutions



Values

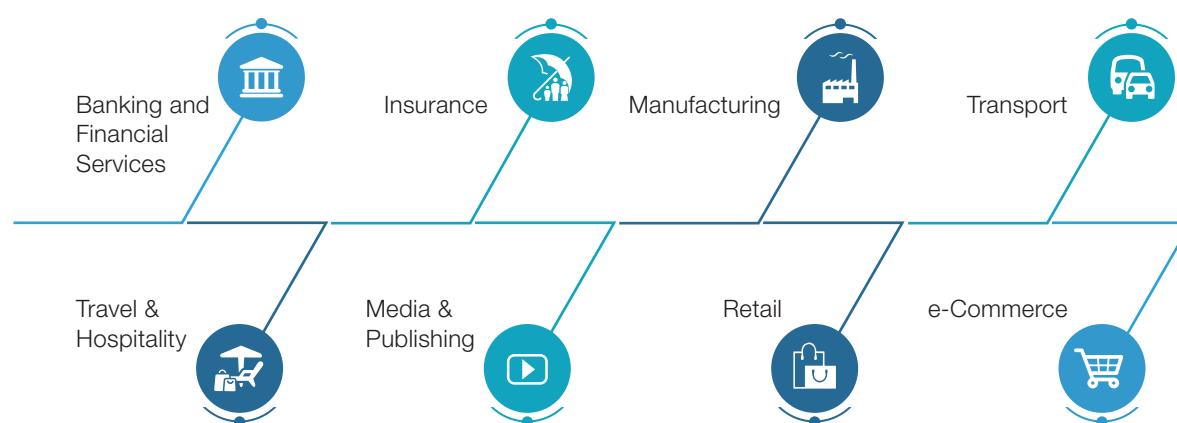
Honoring Commitments

Areas of Expertise



Sectors of Presence

Datamatics caters to customer requirements across various sectors.



450+

Customers across
the globe

10,000+

Employees

Global delivery centers
in USA, India, Europe
and Philippines

Events

Customer Engagement Initiative at Datamatics

Datamatics hosted a celebratory evening for its customers in Mumbai, with the objective of engaging with them and sharing interesting business updates. The event witnessed the presence of senior leaders from the BFSI, Manufacturing, Logistics and Media & Entertainment sectors. The programme also included a stand-up act by Cyrus Broacha.



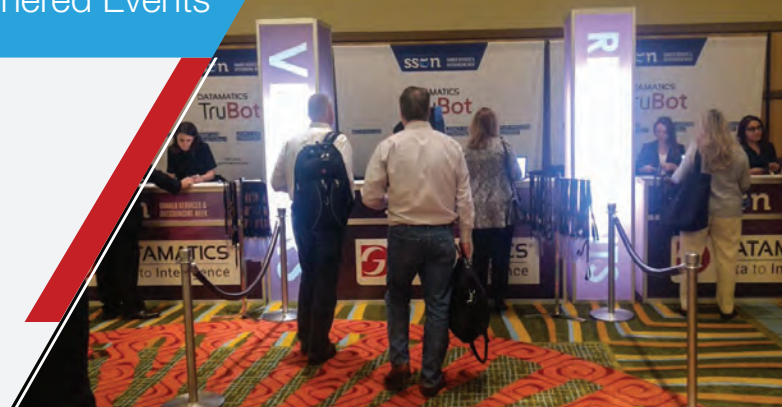
1st Digital Conclave with CFOs

Datamatics organised its first 'Digital Conclave with CFOs' in Mumbai, which witnessed the presence of leading CFOs across the BFSI, media and telecom sectors. The forum focused on the rapidly changing role of finance from being a support function to driving strategy and new business models. The conclave presented an interactive discussion and debate platform for CFOs across India.

Datamatics Partnered Events

Partnered the SSOWeek 2018

Datamatics partnered the 22nd North American Shared Services and Outsourcing Week to showcase its proprietary solution for Robotic Process Automation called TruBot, a multi-skilled bot programmed to enhance productivity.



Technology Partner to FICCI's 19th Annual Insurance Summit 2018

Datamatics was the Technology Partner to FINCON 2018, FICCI's Annual Insurance Summit, Mumbai. Mr. Rahul Kanodia, Vice Chairman & CEO was a panelist for the session on 'Digitisation of Core Operations'. His session focused on the current paradigm shift in the insurance sector and emphasised on the need to go digital for increased productivity, enhance efficiency and a better customer experience.

Partnered the Software Testing Conference 2017

Datamatics participated in the 17th Annual International Software Testing Forum 2017, one of the leading testing conferences in India. As a partner to the event, Datamatics showcased its Robotic Test Automation solution to IT professionals and business leaders.



Acquisitions and Partnerships



TechJini, a boutique mobile and web application development company

Datamatics acquired Bangalore-based TechJini with the objective of further strengthening its mobility offerings through TechJini's range of smart technology solutions.

TechJini is a leading software services company with a presence in the US. It has a specialised focus on digital experiences, mobile based web application development and maintenance services. With 250 employees, TechJini caters to over 35 companies across business verticals including media, engineering, manufacturing and start-ups. TechJini is one of the first 13 companies in the world to be certified under the Google Developer Agency Program.

Datamatics Philippines, a step-down subsidiary of Datamatics Global Services Ltd. acquired RJGlobus Solutions Inc., a voice-based BPO company headquartered in Manila, Philippines. This acquisition will further strengthen Datamatics' BPO offerings to meet the growing demands of customers and help increase its market presence through an expanded global delivery centre.

RJGlobus Solutions Inc. is a Business Process Outsourcing company that offers best-in-class voice and non-voice services, along with back office support to global organisations. The company is currently investing in technology, tools and automation to lower the cost of ownership of its customers.



RJGlobus Solutions, a voice based Business Process Outsourcing company

Other Strategic Partnerships

CIGNEX Datamatics has entered into a partnership with Salesforce (leading CRM and Cloud Computing Platform), UiPath (leader in Robotic Process Automation), OutSystems (leading Low Code Development Platform) and Oracle MySQL (leading Open Source RDBMS Platform).



Board of Directors



Dr. Lalit S. Kanodia
Chairman & Whole Time Director

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

As the Chief Mentor at Datamatics, Dr. Kanodia drives all innovation, new product development and quality initiatives. His inspirational leadership has led Datamatics to be conferred with various prestigious awards and recognitions over the years.

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

Dr. Kanodia is currently on the Executive Board of MIT (Europe, Asia and Africa). After obtaining a degree in engineering from India's premier technology institute, IIT, Bombay, he completed his Doctorate in Management and post-graduation in Computer Science from the MIT (USA).



Mr. Rahul L. Kanodia
Vice Chairman & CEO

Rahul has been the Chief Architect for re-positioning and transforming Datamatics from a service led organization, to a solutions organization focused on enhancing business productivity through smart automation of data driven processes. Rahul is responsible for driving the Company's strategic process of identifying, evaluating and integrating organic and inorganic business growth options, including mergers & acquisitions, partnerships and alliances. He has also been driving the Company's foray into new geographies, and the Company's digital growth strategy. He has over 28 years of experience and has held several progressively senior and leadership positions.

He is the Chairman of NASSCOM's Regional Council as well as the Western Region of ESC (Electronics and Computer Software Export Promotion Council). He has been recognized as the CEO of the Year in 2014 for his exemplary leadership amongst organizations from across 41 Asian countries. Rahul holds an MBA from Columbia University (USA) with a major in Business Strategy & Marketing and a minor in Mergers & Acquisition and Turnaround Management, and is on its Advisory Board for the India Business Initiative (NY). He is also on the Client Advisory Board of Citi Commercial Bank Asia (HK) and a Director at Safari Industries.



Mr. Sameer L. Kanodia
Executive Director

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

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

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



Mrs. Asha L. Kanodia
Director

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



Mr. Dilip D. Dandekar
Director

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



Mr. R. K. Saraswat
Director

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



Mr. Shahzaad S. Dalal
Director

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



Mr. Vinay M. Aggarwal
Director

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

Leadership Team



Rahul L. Kanodia
Vice-Chairman & CEO



Alok Kumar Jha
EVP & Chief Human Resources Officer



Brajesh Ugra
President - Global Sales



Divya Kumart
EVP, Chief Legal Officer &
Company Secretary



Mitul Mehta
SVP & Head -
Marketing & Communications



Navin Gupta
EVP & Head - BPM Services

**Rajesh Agarwal**

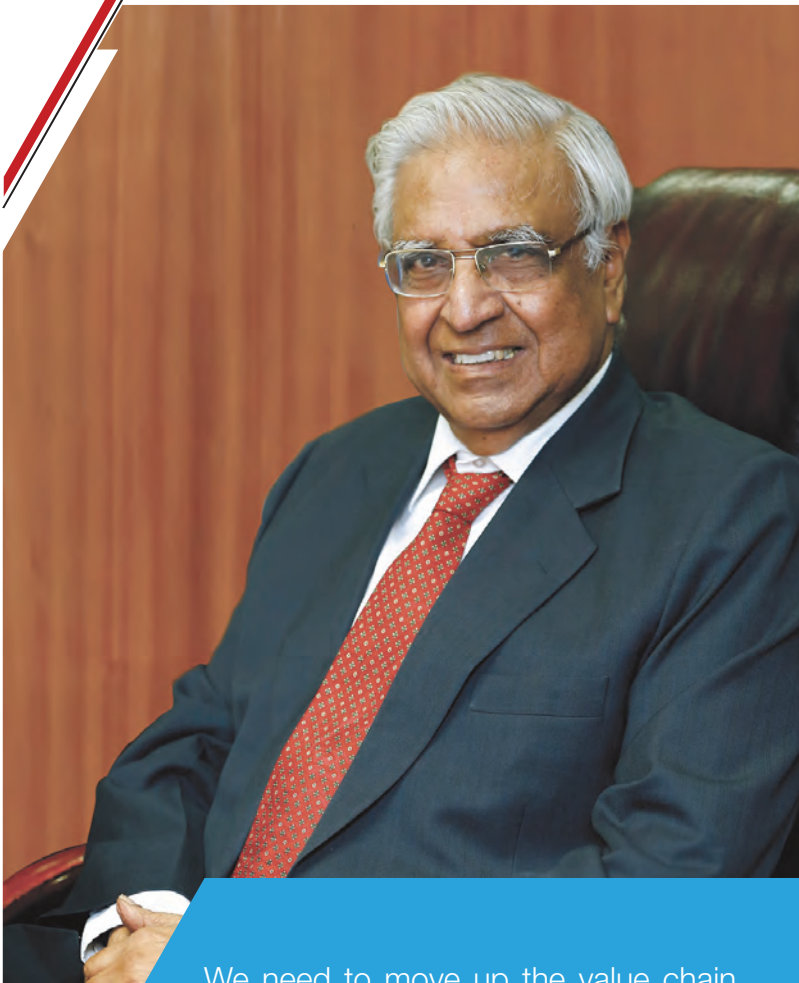
Head - Robotic Process Automation

**Sachin Rane**EVP & Head -
Software Solutions**Sandeep Arora**EVP & Head -
Consulting & Advisory Practice**Sandeep Mantri**

VP & Chief Financial Officer

**Sanjeet Banerji**EVP & Head -
AI & Cognitive Sciences**Sanjeev Subhedar**EVP & Head -
Engineering Solutions**Shashi Bhargava**EVP & Head -
Solutions Group

Chairman's Message



We need to move up the value chain through development of intellectual property and Software Products.

Dear Shareholders,

I would like to start by thanking all our stakeholders for their support to this Company. This includes our shareholders, employees, customers and vendors.

The IT Industry continues to forge ahead, even though its growth rate has reduced. As per NASSCOM, Indian Software Exports in FY2018, grew by over 8% and increased to USD 126 billion, comprising 25% of India's total exports. India's Software Exports growth in FY2017 of over USD 116 billion is commendable, given the increasing protectionism.

I believe that the IT Industry in India, and your Company is faced with several challenges and we need to address them.

First, the western world, our principal markets, are getting protectionist and creating barriers to trade, movement of our professionals, and a free flow of both goods and services.

Second, India is facing margin pressure with MNCs having high captive utilisation and financial institutions still leading the way with around 24%. Conventional IT Services and BPO are gradually becoming a commodity, with relatively low entry barriers, resulting in lower margins.

Third, there is a need to broaden our geographical reach and explore more markets. Today about 80% of our Software Exports are to the USA and UK, who on a combined basis form only 6% of the world population and contribute about 25% of the world's GDP.

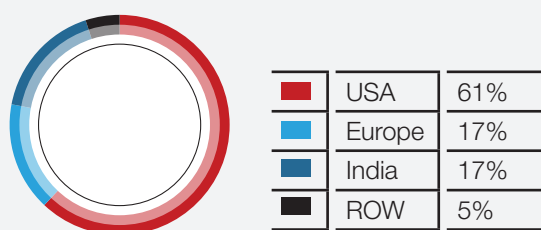
Fourth, to circumvent reducing margins in both BPO and Software Services, we need to move up the value chain through development of intellectual property and Software products. Traditionally, Indian Software professionals had been accustomed to providing services against developing Software products. Today, products need creativity, rigorous testing, ergonomic orientation, larger marketing / sales budgets, and longer gestation periods.

Key Achievements

To address some of the easier points and enhance our growth visibility, your Company made two acquisitions during the year. We acquired 71% stake in TechJini (Now Datamatics Digital Limited) in July 2017, with an option to buy the remaining equity by 2019. Datamatics Digital, headquartered in Bengaluru, is in the Mobility Software space, which is becoming immensely important worldwide. In April 2018, we also acquired RJGlobus Solutions Inc., a voice-based BPO company headquartered in Manila, Philippines. The objective was to address the growing demands of our customers globally and further strengthen our BPO offerings.

For FY2018, I am happy to report that the consolidated revenues were ₹ 9,103 million (USD 141 mn), as compared to ₹ 8,524 million (USD 131 mn) in the previous year, reflecting an increase of 6.8%, in rupee terms. Our consolidated EBITDA was 9.01% i.e. ₹ 820 million (USD 13 mn), against ₹ 830 million (USD 13 mn) in FY2017. Our net profit stood at ₹ 715 million (USD 11 mn) as against ₹ 640 million (USD 10 mn) last year.

Our consolidated geography-wise revenue for FY2018:



Your Company derived 54% and 46% of its consolidated revenues from its IT Software Services and BPO segments, respectively.

Your Company has been developing several software products over the past decade. One of these is a Robotic Process Automation solution named "TruBot". This has been successfully launched and has received good response from customers in India and the USA. In the long run, software products have both better margins, a brighter future and are less prone to both tariff and non-tariff barriers.

People

We attribute this success to our people, who are our greatest asset. They have continued to play a pivotal role in your Company's progress. Our HR policies and Training Programs continue to win accolades and awards. Significant among them are the 'Best HR Organisation of the Year' to Datamatics Global Services; 'Best HR Strategy in line with Business' to Lumina Datamatics both by the World HRD Congress; and 'Best Employer Brand' and 'Dream Employer of the Year' to CIGNEX Datamatics at the Employer Brand Congress Awards. It is important to note that we were once again certified as a 'Great Place to Work' by the Great Place to Work Institute.

Sectoral Opportunities and Outlook

The Software industry remains a beacon to the rest of our country. Our IT professionals continue to chart new paths and make significant contribution towards raising our GDP and Per Capita Income and providing employment. Even in the USA, in Silicon Valley, the hotbed of innovation, one third of new start-ups are led by Indian Americans.

The world is witnessing a rising impact of Digital Technology. The market cap of just 4 of global digital giants, Google, Facebook, Amazon and Apple is US\$ 3 trillion, which exceeds the GDP of India.

I would like to add that with an extensive suite of services and our focus on developing intellectual property, we are in a good position for growth and improved margins in future.

I would once again like to thank all our stakeholders for their valuable support.

Dr. Lalit Kanodia

Ph.D, M.I.T (USA)

Chairman

Message from the Vice Chairman and CEO

Dear Shareholders,

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

Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY18, Datamatics made significant progress in key business segments and strengthened its digital footprint.

TruBot, our Robotic Process Automation solution, has made headway and is getting good traction in the market. The Everest Group, a leading global analyst firm has featured TruBot in their RPA PEAK Matrix for the first time.

TruBI, our 2nd generation cloud-based analytics and data visualization solution was rolled out this year. The new version is built to promote enterprise wide adaptability. It's highly scalable architecture is equipped to handle large volumes of varied structured and unstructured data with an intuitive interface. With increasing dependence on data-driven decisions, we see this as an area of opportunity.

Cloud is a growing area and Datamatics has partnered with leading cloud solution providers including Amazon Web Services and Microsoft Azure, where we have successfully delivered



several projects and are witnessing a lot of interest across customers.

Automated Fare Collection (AFC) has been a key focus area for Datamatics, and over the last 15 years, we have been instrumental in successfully executing over 25 marquee projects in the tier 1 metropolitan cities across the globe. In India, the 1st phase of Lucknow Metro went live in August 2017. With this, we have consolidated our position in the AFC market. We are the only Company in India to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. We see this as a huge opportunity in emerging economies around the world, including India.

The acquisition of TechJini (now renamed as Datamatics Digital) in Q1FY18 has given us a strong foothold in the Mobility and Web technologies domain. We have been acknowledged as a Google-Certified Developers Agency for

the third consecutive year, making us a part of the exclusive club of global companies who have been constantly focusing on innovation.

In April 2018, Datamatics acquired RJGlobus Solutions Inc., a multi-lingual voice and text based customer service and back-office solutions provider in Philippines. With this acquisition, we will extend our BPO portfolio and offer a new service line to our customers. This acquisition also adds another 1200 seater delivery center in Philippines. Along with India, Europe and USA, we will be able to offer the benefits of a geographically spread global delivery network to our customers.

This year, CIGNEX Datamatics also entered into strategic partnerships with Salesforce, UiPath, OutSystems and Oracle MySQL. Lumina Datamatics has opened another delivery centre in Puducherry. The e-retail business of Lumina Datamatics also witnessed good traction with over 35% growth against last year.

I am also pleased to share that this year Datamatics has received several awards and recognitions. For the third consecutive year, our products – TruBI, TruAI and TruBot were voted as the best solution at the CIO Choice Awards 2018. Datamatics was also recognized for its exemplary work in Consulting, Information Technology, Data Management and Business Process Management at the 7th Global Economic Summit organized by the World Trade Centre, Mumbai. These awards are testament to the value we deliver to our customers.

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

Currency headwinds has impacted our revenue growth in FY18. Our consolidated revenue rose to ₹ 9,102.69 million, up by 6.8% against FY2016-17 and profit after tax grew by

Through DataLabs, our R&D center and incubation hub, we strive to create intelligent solutions for complex challenges faced by businesses and governments in today's data-driven economy.

11.8%. We have declared a total dividend of ₹ 0.75 per share including final dividend of ₹ 0.25 per share. Our revenues from digital business stood at 10% of our IT revenues. This year we have reached an employee base of over 10,000 that serve more than 450 customers worldwide.

Reflecting on the past year, while we are pleased with what we have achieved from the set business targets, there is a lot more to do in the years to come. Datamatics, in FY19, will continue its focus on strategic priorities both internally as well as externally that will drive profitable growth. We are excited to build on the momentum we have generated over the past fiscal and for the opportunities that lie ahead. We remain committed towards innovating and expanding our enterprise offerings to help our customers enhance productivity and customer experience.

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

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

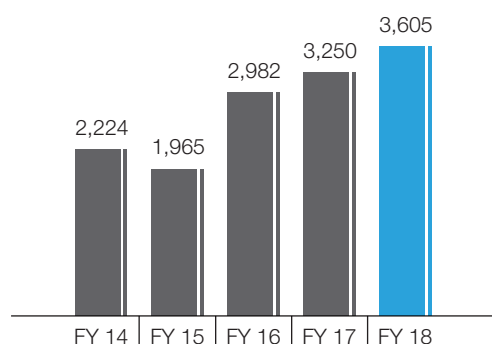
Yours Sincerely,

Rahul L. Kanodia
Vice Chairman & CEO

Financial Highlights Standalone

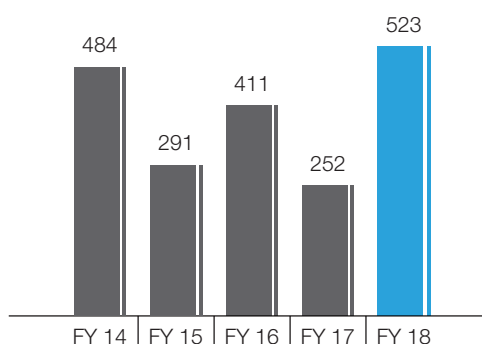
Revenue and Other Income

(₹ in Million)



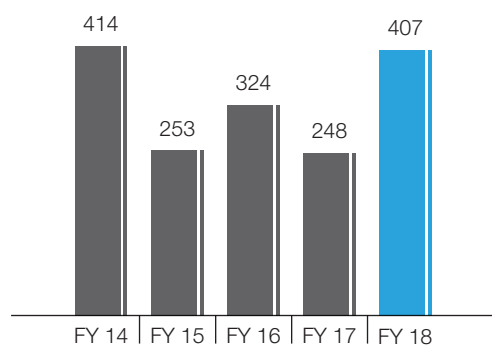
PBT

(₹ in Million)



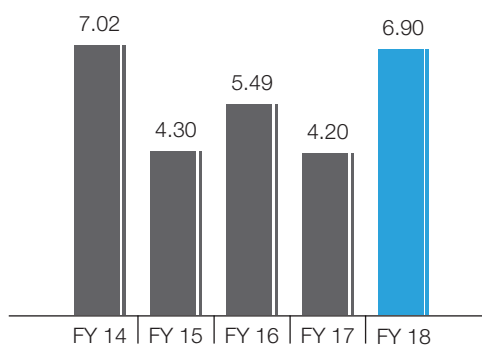
PAT

(₹ in Million)



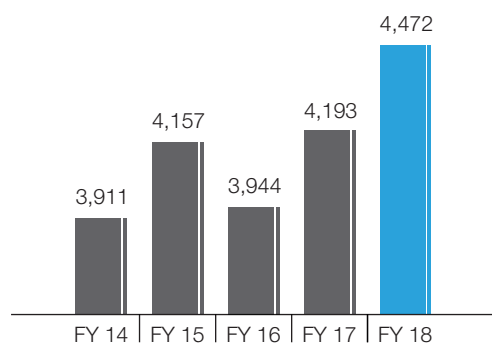
EPS

(₹ per Share)



Net Worth

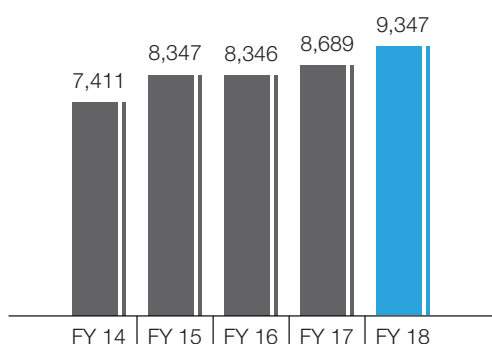
(₹ in Million)



Financial Highlights Consolidated

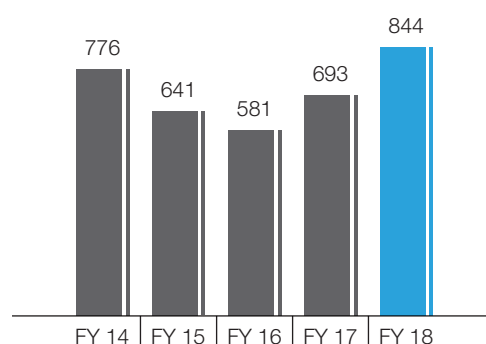
Revenue and Other Income

(₹ in Million)



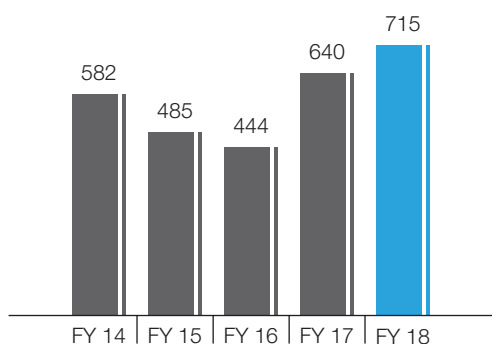
PBT

(₹ in Million)



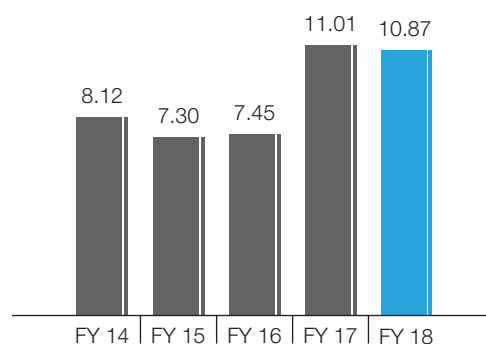
PAT

(₹ in Million)



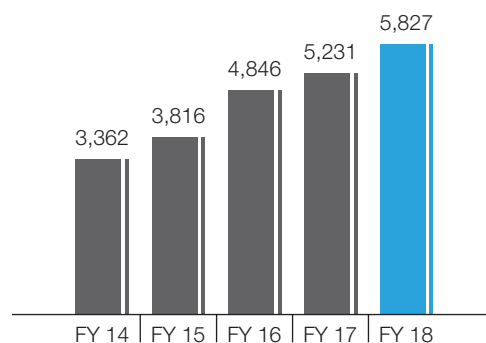
EPS

(₹ per Share)



Net Worth

(₹ in Million)



Awards & Accolades



MVR, a subsidiary of Lumina Datamatics, featured in the **Top 50 Most Innovative Technology Startups, 2017** in Hype Foundation's US Sports Innovation Pitch competition



Datamatics acknowledged as the **Preferred Partner** by ICICI Group for its outstanding accomplishments and exemplary performance over the years



CIGNEX Datamatics acknowledged as the **Best Employer Brand** and **Dream Employer of the Year**



Datamatics was acknowledged by Qimpro, the premier quality management consultancy in India, with the **QualTech Prize 2017** for continuous improvement and innovation



Datamatics' **Fraud Analytics Solution** featured in the top three case studies at the NASSCOM Analytics Challenge 2017



Datamatics acknowledged with the **CIO CHOICE 2018 Honor & Recognition title** in three categories: Artificial Intelligence, Business Intelligence and Document Management Systems



Datamatics Digital Ltd. (erstwhile TechJini) recognised as a **Google-Certified Developers Agency** for the third consecutive year



CIGNEX Datamatics received the **Best Employee Reward and Recognition Strategy Award** for creating a strong culture of appreciation at the World HRD Congress 2018



CIGNEX Datamatics received the **Best Employer of the Year Award**, endorsed by World Federation of Marketing as part of the World HRD Congress 2018



Datamatics and The United Nations Population Fund received the **Webby Award 2017** in the **Best Use of Photography** category from 13,000 entries across 70+ countries and over 3.5 million votes globally



Lumina Datamatics recognised the **Best Employer Brand** at the Employer Branding Awards 2018



Datamatics was acknowledged with Top Honours at the World HRD Congress 2018 as the **'Best HR Organisation to Work'** and **'Best Talent Management Strategy'**



CIGNEX Datamatics certified as a **Great Work Place** by the Great Place to Work Institute for the second consecutive year



Datamatics awarded in the **Services Category** at the 7th Global Economic Summit 2018 organised by the World Trade Centre, Mumbai



Datamatics received the **TISS Leap Vault CLO Award** for the 'Best Games Based Learning Program'



Board's Report

On behalf of the Board of Directors, I am happy to present the 30th Board's Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2018.

Financial Performance

The Company's financial performance for the year ended March 31, 2018 as compared to the previous financial year ended March 31, 2017 is summarized below:

Particulars	(₹ in Million) Consolidated		(₹ in Million) Standalone	
	2017-18	2016-17	2017-18	2016-17
Revenue from operations	9,102.69	8,524.17	3,378.50	3,057.12
Other Income	211.82	161.72	201.55	149.91
Other gains/(losses)	32.50	2.73	24.88	43.05
Total Income	9,347.01	8,688.62	3,604.93	3,250.08
Profit before Interest, Depreciation and Tax	1,087.49	982.27	660.19	408.61
Interest	40.30	47.72	34.41	38.05
Profit before Depreciation and Tax	1,047.19	934.55	625.78	370.56
Depreciation	203.30	241.96	102.33	118.58
Profit Before Tax	843.89	692.59	523.45	251.98
Provision for Taxation	128.86	52.97	116.76	4.13
Profit After Tax	715.03	639.62	406.69	247.85
Share of Minority Interest in Profit for the year	74.18	(12.22)	-	-
Profit for the year	640.85	651.84	406.69	247.85
Balance Brought Forward from Previous Year	2,637.21	1,893.43	1,388.83	1,158.72
Profit Available for Appropriation				
Acquisition of Techjini	86.47	-	-	-
Removal of subsidiary	-	8.46	-	-
Redemption of Preference shares	-	101.22	-	-
Dividend (including Tax)	(73.72)	(17.74)	(73.72)	(17.74)
Transfer to General Reserve	-	-	-	-
Balance Carried Forward	3,290.81	2,637.21	1,721.80	1,388.83

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

The reconciliations and descriptions of the effect of the transition from previous GAAP to Ind AS have been set out in the notes to accounts in the financial statements.

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

Board's Report *(Contd.)*

Overview of Company's Financial Performance

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

On a Consolidated basis, your Company achieved revenue from operations of ₹ 9,102.69 million as compared to ₹ 8,524.17 million in the previous year. The profit after tax for the current year was ₹ 715.03 million as against ₹ 639.62 million in the previous year.

The revenue from operations on a standalone basis is ₹ 3,378.50 million as compared to ₹ 3,057.12 million in the previous year. The profit after tax for the current year was ₹ 406.68 million as against ₹ 247.85 million in the previous year.

Dividend

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

In addition to the Interim Dividend and based on the Company's performance, Directors are pleased to recommend for approval of the Members, a final dividend of ₹ 0.25 per share (5%) for the financial year 2017-18. The total dividend pay-out amount for the Financial Year 2017-18 amounts to ₹ 0.75 (15%) per equity share of face value of ₹ 5 each.

Transfer to Reserves

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation. However, credit balance of Profit and Loss of ₹ 3,290.81 million is transferred to Balance Sheet under the head 'Reserves and Surplus'.

Transfer of Unclaimed Dividend to Investor Education and Protection Fund

In terms of Section 125 of the Companies Act, 2013 ("the Act"), unclaimed or unpaid Dividend relating to the financial year 2010-11 is due for transfer on September 22, 2018 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 Deposits

The Company has not accepted any deposits during the Financial Year 2017-18 in terms of Chapter V of the Act.

Subsidiary Companies

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2018:

1. Cybercom Datamatics Information Solutions Limited
2. Lumina Datamatics Limited
3. Datamatics Digital Limited (w.e.f July 01, 2017)
4. CIGNEX Datamatics Technologies Limited
5. LDR eRetail Limited
6. LD Publishing & eRetail Limited
7. Attune Infocom Private Limited
8. Scalsys Technologies Private Limited

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2018:

1. Datamatics Global Services, Inc. (US)
2. Techjini Inc (US) (w.e.f July 01, 2017)
3. Datamatics Global Technologies GmbH (Germany)*
4. Datamatics Infotech Limited (UK)
5. Datamatics Global Services Pty Limited (Australia)
6. Datamatics Global Technologies Limited (Mauritius)
7. Datamatics Global Technologies AG (Switzerland)
8. Datamatics Global Services FZ-LLC (Dubai)
9. Datamatics Global Services Corp. (Philippines)
10. Datamatics Robotics Software Inc (US)
11. Lumina Datamatics Inc. (US)
12. Lumina Datamatics GmbH (Germany)
13. Lumina Datamatics Assessment and Analytics, LLC (US)
14. CIGNEX Datamatics Corporation (BVI)
15. CIGNEX Datamatics, Inc. (Michigan)
16. CIGNEX Datamatics GmbH (Germany)
17. CIGNEX Datamatics Pte. Limited (Singapore)
18. CIGNEX Datamatics UK Limited (UK)
19. Duo Consulting Inc. (US)

* In the process of liquidation.

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

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company including Consolidated Financial Statements along with relevant documents and separate

Board's Report (Contd.)

Audited Financial Statements in respect of subsidiaries are available on the website of the Company.

Acquisitions:

Techjini Solutions Private Limited (now known as Datamatics Digital Limited)

In July 2017, Datamatics acquired 71.1% stake in Techjini Solutions Private Limited (hereinafter referred to as 'Datamatics Digital Limited'), which is a boutique mobile and web application development Company which caters to Fortune 500 companies across business verticals such as media, engineering, manufacturing and start-ups.

Headquartered in Bangalore, Datamatics Digital Limited is a leading software services Company with a presence in US, and has a specialized focus on digital experiences, mobile based web application development and maintenance services. With 250 employees, Datamatics Digital Limited caters to over 35 companies across business verticals such as media, engineering, manufacturing and start-ups. Datamatics Digital Limited is one of the first 13 companies in the world to be certified under the Google Developer Agency Program.

The objective of this acquisition is to further strengthen Datamatics' enterprise mobility offerings through its smart technology solutions.

RJ Globus Solutions, Inc

In April 2018, Datamatics through its Philippines subsidiary, acquired 75% stake in RJ Globus Solutions Inc., a voice-based BPO Company headquartered in Manila, Philippines. This acquisition will further strengthen Datamatics' BPO offerings to meet the growing demands of customers and increase its market presence through an expanded global delivery centre.

RJ Globus Solutions, Inc. is a Business Process Outsourcing Company that offers best-in-class voice and non-voice as well as back office support to global organizations. The Company is currently investing in technology, tools and automation to lower the cost of ownership of its customers.

Share Capital

As on March 31, 2018, the paid-up share capital of the Company was ₹ 294.75 million divided into 58,949,337 equity shares of ₹ 5/- each fully paid up. During the year, there has been no change in the paid-up share capital of the Company.

The authorized share capital of the Company was ₹ 975.5 million as on March 31, 2018.

Board of Directors and Key Managerial Personnel

Retirement by Rotation

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

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

The Members of the Company had, at the 25th Annual General Meeting held on September 24, 2013, appointed Mr. Sameer L. Kanodia as a Whole-Time Director for a period of five years, with effect from January 30, 2013. According to his terms, the tenure of Mr. Sameer L. Kanodia as a Whole-Time Director expired on January 29, 2018.

On the recommendation of Nomination & Remuneration Committee, the Board of Directors at its meeting held on May 29, 2018, subject to the approval of shareholders at ensuing AGM, re-appointed Mr. Sameer L. Kanodia as a Whole-Time Director for a further period of five years with effect from January 30, 2018.

A brief profile of Mr. Sameer L. Kanodia is provided in the Notice of AGM.

Cessation of Director

Mr. Sudhir C. Deshpande, Independent Director of the Company, demised on March 14, 2018.

The Board places on record its sincere appreciation for the invaluable contribution, advice and support rendered by Mr. Sudhir C. Deshpande during his tenure as Independent Director of the Company.

Declaration by Independent Directors

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

Board's Report *(Contd.)*

Meetings of the Board

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

Board and Committee Evaluation

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

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

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

Future Growth Strategy

The financial year 2017-18 witnessed steady growth in its digital business which is attributed to the Company's strong focus on developing proprietary solutions having high inter-operability. These are aligned to our clients' business goals and are intended to serve as growth engines across industry verticals – Banking, Financial Services, Insurance, Manufacturing, Retail, Publishing and Transportation to name a few.

Investment in new technologies and product development

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

With the growing demand for customized solutions and enterprises embracing new technologies, Datamatics is focusing on employing 'design thinking' at its core while developing comprehensive and engaging solutions that integrate the back, middle and front offices. The synergies would be primarily directed towards helping clients create

a work culture, where the onus is on understanding their end-customer requirements and helping shared services to keep pace with customer-facing teams. This paradigm shift is towards a holistic, end-customer-centric ecosystem that leverages technology to increase productivity, efficiency, and speed as well as optimize operational expenditures.

Strengthening business to drive sustainable growth

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

The need for metro rails and Automated Fare Collection is growing across emerging economies, and India is witnessing a strong demand for these rapid transit systems. Datamatics, as the only Company in India to have a highly evolved AFC, smart gates, and contactless gates service offerings, sees a huge opportunity in the smart city infrastructure development government schemes.

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

Quality

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

The Company believes in the philosophy that quality encompasses and permeates every action and thought process. Quality at Datamatics goes beyond product and services, and forms an integral part of the Datamatics culture. The industry has always been kind in recognizing the Company's performance, and this year too, Datamaticians and Datamatics featured prominently at various industry platforms by winning prestigious awards. Our clients have also consistently recognized us for not only maintaining the Quality of deliverables but also for surpassing their expectations.

Board's Report (Contd.)

The 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. The Company also won the prestigious "IMC IT Award for Quality". We have won the Global Quality Challenge award of one of the fortune 100 organizations for the ninth time. These award are the testament to our continued focus on quality. We maintain quality standards not as project requirements but as a way of our life at the organization.

Further significant initiatives of the Company towards quality are:

1) **Certifications:**

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

As you are aware, with the growing complexity of the digital economy, the threat on the information security and data also increases in terms of complexity and impact. The Company is fully cognizant of this challenge and we constantly upgrade our information security management systems (ISMS). Our operations and ISMS have been successfully assessed and are compliant to **ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements and HIPAA requirements**. We are in the final stages of implementing rigorous **HiTRUST requirements** and are confident of successful assessment and certification by May 2018. The Company is also in the final stages of renewing its **PCI-DSS certification**. These standards are extremely crucial for Financial, Insurance and Healthcare industries.

Our commitment to ensure a robust information security management system for our customers has been

bolstered by these certifications. We have implemented SIEM solution as well which will further strengthen the Information security management. There is a conscious thrust on risk management as an organization strategy and the risks and mitigation plans are reviewed regularly at all pertinent levels.

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

GDPR REGULATIONS

General Data Protection Regulation (GDPR) has become effective from May 25, 2018. GDPR is a regulation in European Union law on data protection and privacy for all individuals within the European Union (EU) and the European Economic Area (EEA). It also addresses the export of personal data outside the EU and EEA areas. The requirements laid down in the regulation are quite strict.

Your Company serves some customers from the EU region. To avoid the risk of non-compliance of the GDPR regulation, the Company has made the necessary amendments in the agreements with the concerned customers and suppliers to keep them in line with the GDPR requirements. We have taken all necessary steps, both at physical and process levels, to ensure compliance to the GDPR requirements and we are GDPR compliant.

2) **Customer Satisfaction Tracking:**

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

We feel proud to share with you that we continue a stellar performance on this count. The Company scored 5.14 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that 82% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely

Board's Report *(Contd.)*

satisfied and delighted. The two broad strategic themes viz Delivery as per commitment and quality of solutions have also moved up and are at 5.18 and 5.05 respectively. The average net promoter score is 65%.

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

3) Continuous Improvement - Lean Six Sigma

The Company has a mature and well-entrenched continuous improvement program. This program is based on the principles of Lean, Six Sigma and Kaizen. The program focusses on making our processes more efficient, productive, accurate and cost effective. The program continues to deliver significant benefits to the organization with improvements in productivity, efficiency, accuracy and customer satisfaction. Overall 395 Lean Six Sigma projects were successfully completed since 2007.

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

Robotics Process Automation

The Robotics Process Automation ("RPA") Team under the PE cell has progressed well this year. Its revenues have more than doubled. We now have 100+ RPA Consultants working for clients in USA, Europe, Middle East and in India and are poised for accelerated growth this year too. Our RPA product has been rechristened as "TruBOT".

Several large Banks and Insurance Companies are our customer now. We also have customers in manufacturing, logistics and retail. We have completed over 700 projects in RPA. Our RPA implementation for ICICI Bank won the "Asian Banker Award" for the most innovative RPA implementation in a Bank at a function in Singapore.

Our employees have been invited as Key Speakers for several RPA events around the world. We are creating a partners ecosystem to accelerate our growth. We continue to invest in enhancing our product features.

We have been covered by some analysts in their reports on RPA, the most recent one being "Everest".

Human Resources Management and Employee Relations

During the year, Human Resource Department ("HRD") took many initiatives to increase organizational capability and productivity so as to be value driven and future-ready. The global headcount as on March 31, 2018 was 10,000 plus.

The 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 to unleash their creativity, maintain a balance between work & life and create a deep sense of bonding among employees.

The HRD regularly conducts the following programs:

New Entrant Observation ("NEO"): A session is conducted with the new employees at regular intervals to understand how things are going with them and gain their feedback. In FY 17-18, the team conducted 240 NEO sessions Pan India and 796 employees attended these sessions.

Mid Probationary Review: HRD collects feedback from the Manager post NEO to evaluate the performance and progress of the new employee during the initial period of employment, and for appropriate action to be taken where performance or progress is unsatisfactory.

Client-Site Visit: HRD representative and account manager visit employees, who are working at the clients place, on a periodic basis. It helps the Company to interact with the client site employees, collaborate with them and also understand their grievances and suggestions. For the FY 17-18, 62 client visits have been done by the HR team.

"Climate Survey" and "Open House": It renders the employee platform to voice their views and opinions for the possible areas of improvement which in turn enhance employee engagement and fosters direct organizational growth.

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

Board's Report (Contd.)

Euphoria: 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: There are several employees who have helped the Company grow to this level. To appreciate the commitment, trust and loyalty displayed by the Employees, they are felicitated with Long Service Awards during the Annual Achievers Award Ceremony 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.

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

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

Regional Location HR

South HR: The employee headcount for south locations (Bengaluru, Chennai & Puducherry) as on March 31, 2018 is 1618. Puducherry headcount has stabilized & Datamatics is one of the top 5 employers in the Union Territory.

Nasik HR: Datamatics at Nasik completed a decade of its operation and is a very important location within Datamatics Landscape. The Company has on-boarded 800+ employees within 98% TAT and zero consultancy cost. In Nasik, initiatives like 6 sigma, automation and process improvement are regularly undertaken. Nasik BPO has touch typing improvement scheme which trains and motivates employees for better typing speed adding to productivity of employees. The campus recruitment drive has been conducted successfully in Nashik, branding Datamatics as an 'Employer of Choice' across colleges. Nashik as a location has matured with quality service and low attrition.

HR Operations

Automation:

Ask HR: Customized employee query tool "ASK HR" has been introduced to address all employee queries. Each category of query has a defined SLA and is tracked on a regular basis. This helps employees to get their queries resolved in a timely and effective manner. In FY 2017-18, there were 3348 queries registered on Ask HR; HR team has resolved 98% of queries.

E-Dialogue: It is an online Performance Management tool developed on the intranet portal - PULSE to automate the entire cycle from target setting to annual appraisal under one platform. This will help in structuring and creating a more efficient PMS process, by transitioning from a paper-based process to a robust online platform. In FY 2017-18, KRA setting were done on e-Dialogue.

Payroll Outsourcing:

Payroll has been outsourced to HGS International Services Private Limited effective from January 2018, to achieve process efficiency and cost reduction. HR outsourcing benefits the organization in managing and delivering 'payroll and benefits' services to the employees proficiently, mitigating the risks associated with process, technology, people, compliance and change management. It enables the HR team to focus more on business strategy and less on administrative activities.

Learning & Development (L&D)

The Learning & Development (L&D) team conducted the following programs during financial year 2017-18:

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

Eagle @ Datamatics: The Eagles program was launched with the objective of bringing the best from each department and creating cross functional teams which are mentored to achieve the goals defined by the leadership team. The program has been giving excellent results and helped the Company get next generation leaders in-house. The Eagles program

Board's Report *(Contd.)*

has enabled the organization to generate passion and zeal amongst team members. The team members explored and enhanced their creativity, resourcefulness, bonding, accountability, influencing skills and belief in themselves.

Project Management Preparatory Course (PMP):

Datamatics is a Registered Education Provider (REP) for PMP training, and has been conducting PMP batches for employees through a 5-day training module. The training is imparted by an in-house experienced trainer who is also a certified PMP professional. As of date, the Company has over 55 plus certified PMP professionals who have been trained internally and certified. In the FY 2017-18, 15 employees got certified in PMP.

Synergy – The Team Building Workshop:

Synergy Workshop is a complete experiential learning based workshop which is customized to address issues faced by teams. The program helps team members to synergize and aids in creating a good working environment. This workshop aims at resolving conflicts within teams and engaging employees to bond both at a professional as well as personal level. These programs are executed in-house and have managed to generate immense curiosity and excitement among the employees and clients who often participate remotely.

Training Automation:

In this current age of Automation, L&D @ Datamatics too has automated most of its core functions. L&D processes such as Training Requisitions, Training Effectiveness and Training Need Analysis are all live and available to all the stakeholders on the Intranet. Automation has enabled L&D in ensuring prompt and effective execution of training programs and accuracy in Reports and MIS.

L&D has clocked 2,64,738 Person-hours in the year 2017–18 with an average feedback of 4.0 out of 5.

Talent Management

The Talent Management team conducted the following initiatives:

Role based competencies & Focus Group Discussion:

A year-long activity comprising of detailed discussion with Business heads, Functional managers and role incumbents was conducted to identify unique roles across the organization along with the key behaviors that differentiate the exemplary performers from the rest. A set of behavioral and functional competencies have been identified for each role (along with the desired proficiency level) that an individual

must portray to succeed in the said role, followed by creation of standardized job descriptions for all roles in Datamatics. These set of functional and behavioral competencies thus identified will be integrated with our people processes namely recruitment, performance management and Learning & Development to enhance our alignment with organizational goals and business requirements.

Competency Based Performance Management:

While KRA setting ensures all employees are clear about what their goals would be, at the same time it is important to identify the right set of competencies required to successfully achieve these goals. Integration of the competencies identified through the role analysis discussion with e-Dialogue is one exercise which is in process for this financial year.

Competency Based Assessments and Interviewing:

Hiring the right talent for the right job is crucial in the recruitment process. To ensure that candidates with the right skills, knowledge and attributes are hired, online assessments (Technical/Cognitive/Psychometric) and competency based interviewing was introduced which enables the team to gauge the potential and behaviors of the candidate thereby hiring the talent that would be culturally fit for the organization.

Talent review - 9 box grid (Talent Calibration):

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

Succession Planning: This is a designed process to build the Company's preparedness to replace employee in key critical positions with a structured approach. Identifying people who are ready to take up higher responsibilities at the appropriate time, under the appropriate circumstances with seamless transition.

Career Dialogue:

Career Dialogues is simply a one-on-one discussion, aimed to gain a better understanding of team's aspirations/career goals and development areas. This conversation will set the stage for the team to clarify goals and set plans. This will not only help us track their career better, but will also help us understand the development opportunities that we can offer as a department to enrich their career.

Board's Report (Contd.)

Talent Profile: Talent Profile is an online platform within the intranet portal - PULSE that enables employees to create and maintain their up-to-date profile with their professional details at one place. The portal was launched with an aim to have a complete picture of the workforce at click of a button. This also enables the managers to have their team's details handy through this online portal, thereby enabling them to know their employees better and make informed decisions accordingly.

Graduate Executive Program – Building Talent Pipeline for Sales: A strategic fast track development program was conceptualized along with sales team and launched with a focus to build the talent pipeline for next generation sales professionals. A multilayer program where 20 fresh graduates were hired and groomed with a series of structured learning and on-the-job development opportunities spread across 12 months. The end goal of the program is to enhance the overall capability of the sales team to generate more demand for Datamatics's range of products and services, thereby leading to increased business impact and revenue growth.

Aspire – Online Portal for Internal Job Postings ("IJP"): An online portal for Internal Job Postings was launched with an aim to turn the talent search engine inside the organization. It provides employees the opportunity to apply for open positions across the organization, to enhance their career growth and development. A structured IJP program acts as one of the key success drivers in providing mobility to employees across roles/ functions / locations, thus addressing business challenges, as well as providing job enrichment to employees based on their career aspirations.

Talent Acquisition

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

The Team has continuously emphasised on cost-savings by reducing vendor utilisation as well as contributed revenue under its PS-HR function.

Automation: Hirecraft was implemented last year to digitize the entire recruitment workflow. Today, Hirecraft has helped build a robust and strong candidate repository, improved data accuracy and has been a key source for recruitment metrics.

Skill Identification: The Talent Acquisition team undertook the 'Skill Identification' project to map and classify all internal resources under practice & skills. This has hugely benefited in identifying resources to be internally moved and deployed, leading towards process improvement.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013

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

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

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

Number of complaints filed during the financial year: 4

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

Awards & Achievements

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

1. April, 2017 - MVR, powered by Lumina Datamatics was featured in the **Top 50 Most Innovative Technology Start-ups 2017** in Hype Foundation's US Sports Innovation Pitch competition.
2. May, 2017 - Datamatics was acknowledged as the **Preferred Partner** by ICICI Group for its outstanding accomplishments and exemplary performance over the years.

Board's Report *(Contd.)*

3. May, 2017 - Datamatics and The United Nations Population Fund (UNFPA) received the **Webby Award 2017** in the **Best Use of Photography** category from 13,000 entries across 70+ countries and over 3.5 million
4. July, 2017 - CIGNEX Datamatics was acknowledged with the **Best Employer Brand** and **Dream Employer of the Year** awards.
5. November, 2017 - Datamatics was acknowledged by **Qimpro**, the premier quality management consultancy in India, with the **QualTech Prize 2017** for continuous Improvement & Innovation.
6. November, 2017 - Datamatics' **Fraud Analytics Solution** was featured in the top three case studies at the NASSCOM Analytics Challenge 2017.
7. January, 2018 - Datamatics was acknowledged with the **CIO CHOICE 2018 Honor & Recognition** title in three categories - Artificial Intelligence (AI), Business Intelligence (BI), and Document Management Systems (DMS).
8. January, 2018 - Datamatics Digital Ltd. (erstwhile TechJini) was recognized as a **Google-Certified Developers Agency** for the third consecutive year.
9. January, 2018 - Cignex Datamatics received the **Best Employee Reward & Recognition Strategy** award for creating a strong culture of appreciation at the World HRD Congress 2018.
10. January, 2018 - Cignex Datamatics received the **Best Employer of the Year Award**, endorsed by World Federation of Marketing as part of the World HRD Congress 2018.
11. February, 2018 - Datamatics received an award in the **Services Category** for its exemplary work in Consulting, Information Technology, Data Management and Business Process Management at the 7th Global Economic Summit organized by the World Trade Centre, Mumbai.
12. February 2018 - CIGNEX Datamatics was certified as a **Great Work Place** by the Great Place to Work Institute for the second consecutive year.
13. February, 2018 - Datamatics was acknowledged with Top Honours at the World HRD Congress 2018 as the **'Best HR Organization to Work'** as well as in the **'Best Talent Management Strategy'** category.
14. February, 2018 - Lumina Datamatics received the **Best Employer Branding Award** at the Employer Branding Awards 2018.

Events

Customer Engagement Initiatives

- **Customer Engagement Initiative at Datamatics (Jan'18)**
Datamatics hosted a celebratory evening for its customers in Mumbai with the objective of engaging with them and sharing interesting business updates. The event witnessed the presence of senior leaders across BFSI, Manufacturing, Logistics and Media & Entertainment. The programme also included a stand-up act by Cyrus Broacha.
- **1st 'Digital Conclave with CFOs', Mumbai (October'17)**
Datamatics hosted its first 'Digital Conclave with CFOs' in Mumbai that witnessed the presence of leading CFOs across the BFSI, media and telecom sectors. It was an interactive discussion and debate platform for CFOs across India. The forum was focused on the rapidly changing role of finance from being a support function to driving strategy and new business models.

Datamatics Partnered Events

- **Partnered the SSOWeek 2018 (March'18)**
Datamatics partnered the 22nd North American Shared Services and Outsourcing Week (SSOW), to showcase its proprietary solution for Robotic Process Automation called TruBot, a multi-skilled bot programmed to enhance productivity.
- **Technology Partner to FICCI's 19th Annual Insurance Summit, 2018 (Jan'18)**
Datamatics was the Technology Partner to FINCON2018, FICCI's Annual Insurance Summit that was held in Mumbai. Rahul Kanodia, Vice Chairman & CEO was a panelist for the session on "Digitization of Core Operations" where he spoke about the paradigm shift in the insurance sector and emphasised the need to go digital in order to increase productivity and enhance efficiency, leading to a better customer experience.

Board's Report (Contd.)

- **Partner to the Software Testing Conference 2017 (Dec'17)**

Datamatics participated in the 17th Annual International Software Testing Conference 2017, one of the leading testing conferences in India. As a partner to the event, Datamatics showcased its Robotic Test Automation solution to IT professionals and business leaders.

Particulars of Employees

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

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

Datamatics' Insider Trading Policy for Regulation of Trading by Insiders

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

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

Directors' Responsibility Statement

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

- (i) in the preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards read with requirements set out under

Schedule III to the Act, have been followed and there are no material departures from the same;

- (ii) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;
- (iii) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) they have prepared the annual accounts on a 'going concern' basis;
- (v) they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (vi) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Secretarial Standards

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

Auditors

Statutory Auditors

M/s. M. L. Bhuvania and Co. LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 29th Annual General Meeting till the conclusion of 34th Annual General Meeting, subject to ratification by Shareholders at each AGM.

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

Secretarial Auditor

The Company had appointed Mr. Tushar Shridharani, Practicing Company Secretary, to conduct the secretarial

Board's Report *(Contd.)*

audit for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed as “Annexure – B” to this Report.

Information on Auditors' Observations

1) Statutory Auditors:

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

2) Secretarial Auditor:

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

Corporate Governance

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

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as stipulated under SEBI Listing Regulations, is annexed to this report.

Composition of the Committees of the Board

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

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

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

Particulars of Loans, Guarantees and Investments

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

Contracts and Arrangements with Related Parties

All contracts, arrangements and transactions entered by the Company with related parties during FY 2017-18 were in the ordinary course of business and on an arm's length basis. During the year, the Company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company's policy on related party transactions.

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

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

Policies

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

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

Board's Report (Contd.)

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

Internal Financial Controls

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

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

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

Risk Management Policy

Risk Management is embedded in Datamatics operating framework. The Company has a duly approved Risk Management Policy, which lays down broad guidelines for the appropriate authority to identify, assess, categorise and

prioritise risks in a timely manner and formulate plans for mitigation of such risks.

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

Corporate Social Responsibility ("CSR")

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the financial year 2017-18 are annexed as "Annexure – C" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

Composite Scheme of Arrangement

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

Board's Report *(Contd.)*

The Company has submitted the Composite scheme of Arrangement with BSE Limited and National Stock Exchange of India Limited for seeking their observations/no observation letter under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Significant/Material orders passed by the Regulators

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

Extract of Annual Return

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

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

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

A. Conservation Of Energy:

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

B. Technology Absorption:

- i) Every effort is made by the Company to update the technological skills of its technical staff in order to ensure that they possess adequate skills to enable them to service the Company's clients.
- ii) The Company has not imported any technology during the year under review.

- iii) The Company is predominantly a service provider and therefore has not set up a formal R&D unit. However, it continues to develop software tools and products in its existing delivery setup.

C. Foreign Exchange Earnings and Outgo:

Foreign Exchange Earned in terms of Actual Inflows : 2,216.17 million.

Foreign Exchange Outgo in terms of Actual Outflows : 232.93 million.

Acknowledgements

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

For and on behalf of the Board

Place : Mumbai
Date : May 29, 2018

Dr. Lalit S. Kanodia
Chairman
DIN: 00008050

Annexure – A

To the Board's Report

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

- (i) Ratio of the remuneration of each Director to the median remuneration of the Employees of the Company for the financial year 2017-18:

Sr. No.	Particulars	Ratio to Median remuneration
Executive Directors		
1.	Dr. Lalit S. Kanodia	67.80
2.	Mr. Rahul L. Kanodia	84.61
3.	Mr. Sameer L. Kanodia	26.21
Non-Executive Directors		
1.	Mr. R. K. Saraswat	2.57
2.	Mr. Sudhir C. Deshpande	2.18
3.	Mr. Shahzaad S. Dalal	0.69
4.	Mr. Dilip D. Dandekar	2.41
5.	Mrs. Asha L. Kanodia	2.41
6.	Mr. Vinay M. Aggarwal	2.41

- (ii) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial officer and Company Secretary in the financial year 2017- 18:

Sr. No.	Particulars	% Increase in remuneration in the FY
1.	Dr. Lalit S. Kanodia	9.68
2.	Mr. Rahul L. Kanodia	1.07
3.	Mr. Sameer L. Kanodia	-42.51
4.	Mr. R. K. Saraswat	35.59
5.	Mr. Sudhir C. Deshpande	15.25
6.	Mr. Shahzaad S. Dalal	-20.74
7.	Mr. Dilip D. Dandekar	50.00
8.	Mrs. Asha L. Kanodia	38.89
9.	Mr. Vinay M. Aggarwal	36.36
10.	Ms. Divya Kumari, Company Secretary	5.44
11.	Mr. Sandeep Mantri, Chief Financial Officer*	38.91

Notes

*Mr. Sandeep Mantri was appointed as CFO w.e.f. November 11, 2016

- (iii) The percentage increase in the median remuneration of employees in the financial year: 7.55%
- (iv) The number of permanent employees on the rolls of Company: 4810
- (v) The explanation on the relationship between average increase in remuneration and Company performance:

On an average, employees received an annual increase of 13% in India. The individual increments varied from 5 % to 15%, based on individual performance. Employees outside India received wage increase varying from 1% to 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 2018 (₹ in Million)	39.52
Revenue (₹ in Million)	3,378.50
Remuneration of KMPs (as % of Revenue)	1%
Profit before tax (PBT)) (₹ in Million)	523.45
Remuneration of KMP (As % of PBT)	8%

- (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, 2018	March 31, 2017	% Change
Market Capitalization (₹ in Million)	6,042.31	7,468.88	-19%
Price Earnings Ratio	9.43	11.51	-18%

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

Particulars	March 31, 2018	IPO date (May 07, 2004)	% Change
Market Price (BSE)	102.65	110	-19%
Market Price (NSE)	102.50	110	-69%

Annexure – A *(Contd.)*

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

The average annual increase was around 13%.

Increase in the managerial remuneration for the year was 8%

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

Particulars	Dr. Lalit S. Kanodia	Mr. Rahul L. Kanodia	Mr. Sameer L. Kanodia	Ms. Divya Kumat	Mr. Sandeep Mantri
Remuneration in FY 2018 (₹ in Million)	10.56	13.18	4.08	6.51	5.71
Revenue (₹ in Million)	3,378.50				
Remuneration as % of revenue	0.31%	0.39%	0.12%	0.19%	0.17%
Profit before tax (PBT) (₹ in Million)	523.45				
Remuneration of KMP (As % of PBT)	2.02%	2.52%	0.78%	1.24%	1.09%

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

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

- Commission to Chairman & Vice – Chairman: The Commission payable to Dr. Lalit S. Kanodia and Mr. Rahul L. Kanodia is upto 1% of the net profits of the Company as computed in accordance with the provisions of the Companies Act, 2013.
- Incentives to other Executive Directors: The Nomination and Remuneration Committee evaluates the performance of other Executive Directors. The Committee approves 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 26th Annual General Meeting convened on September 24, 2014, approved payment of commission to the directors (other than directors in the whole-time employment of the Company and the Managing Director) at a rate not exceeding 0.25% of the net profits of the Company. The said commission is decided each year by the Board of Directors,

on the basis of recommendation of Nomination and Remuneration Committee, and is distributed amongst the Non-Executive Directors based on their attendance and contribution at the Board and certain Committee meetings.

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

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

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

Annexure – B

To the Board's Report

Secretarial Audit Report

For the Financial Year ended on March 31, 2018

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

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

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

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

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

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

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

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

Annexure – B *(Contd.)*

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 29, 2018

Tushar Shridharani
Practicing Company Secretary
FCS 2690 / COP 2190

Annexure – C

To the Board's Report

Corporate Social Responsibility

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

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

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

Datamatics integrates social responsibility with business objectives to make these initiatives an integral part of the company's profitable growth. Over the years, the Company has developed a thoughtful approach and attempts to address critical areas of impact to society at large. The Company drives its CSR initiatives through a corporate body named 'ASHA'. Led by Senior Management, this initiative is promoted throughout the Company.

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.

Towards its commitment to bring about a change in the critical areas, the Company has identified key focus areas, viz. Employability & Environment.

Datamatics' has prepared CSR policy in line with the provisions of Section 135 of the Companies Act, 2013. The Corporate Social Responsibility Policy of the

Company, as approved by the Board of the Directors, is available on the Company's website at <http://www.datamatics.com/company/corporate-social-responsibility>.

2. The Composition of the CSR Committee:

The composition of the CSR Committee as on March 31, 2017 is as follows:

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

3. Average net profit of the company for last three financial years: ₹ 340.65 million

4. Prescribed CSR Expenditure (2% of this amount as mentioned in Sr. No. 3 above): ₹ 6.81 million.

5. Details of CSR spent during the financial year:

- Total amount spent for the financial year: ₹ 1.48 million.
- Amount unspent: ₹ 5.33 million.
- Manner in which the amount spent during the financial year is detailed below.

1	2	3	4	5	6	7	8
Sr. No.	CSR project or activity identified	Sector in which The Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure upto to the reporting period	Amount spent : Direct or through implementing agency*
					Direct expenditure	Overheads	
1.	Training to Students	Promoting education	Maharashtra	₹ 1.48 million	₹ 1.48 million	--	₹ 1.48 million
	Total				₹ 1.48 million		Direct

Annexure – C *(Contd.)*

- 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 conducts its business in a socially responsible, ethical and environment friendly manner and continuously work towards improving quality of life of the Society in its operational areas.

During the financial year, the margins of the Company have been reduced on account of increase in various costs. The growth of the Company in the competitive environment is possible only if the resources of the Company are used in a channelized manner. Therefore, considering the financial condition and goals of the Company, the Board of Directors have thought it prudent to conserve the resources of the Company so that they

can be deployed for various future growth initiatives and expansion plans by targeting new customer segments and markets across different regions.

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

R. K. Saraswat
Director

Place : Mumbai
Date : May 29, 2018

Annexure – D

To the Board's Report

Form No. MGT - 9

Extract of Annual Return

as on the financial year ended March 31, 2018

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

I. Registration and Other Details

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

II. Principal Business Activities of The Company

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

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

Annexure – D (Contd.)

III. Particulars of Holding, Subsidiary and Associate Companies

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2017	Applicable Section
1	Delta Infosolutions Private Limited Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai - 400 093.	U72300MH1992PTC064911	Holding	53.97	2(46)
2	Cybercom Datamatics Information Solutions Limited Unit no 105, First Floor, Multistoried Building, Seepz - Sez, Andheri (E), Mumbai - 400096.	U72900MH2000PLC123469	Subsidiary	50.50	2(87)
3	Lumina Datamatics Limited 12 th & 13 th Floor, Phase II, Ascendas International Tech Park, Taramani Road, Chennai - 600113.	U22220TN2007PLC065507	Subsidiary	98.00	2(87)
4	Datamatics Digital Limited Gaayathri Chambers, Second Floor, No. 948, 24 th Main, JP Nagar 2 nd Phase, Bangalore - 560078.	U72200KA2005PLC038061	Subsidiary	71.10	2(87)
5	CIGNEX Datamatics Technologies Limited President Plaza Cross Roads, S.G. Highway, Ahmedabad - 380054.	U72200GJ2006PLC048349	Subsidiary	-	2(87)
6	LDR eRetail Limited Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai - 400 093.	U74120MH2015PLC267425	Subsidiary	-	2(87)
7	LD Publishing and eRetail Limited 12 th Floor, Phase II, Crest, International Tech Park, Taramani CSIR Road, Chennai - 600113.	U74900TN2015PLC102688	Subsidiary	100.00	2(87)
8	Attune Infocom Private Limited G-2, Akuti Complex, Above Stadium Underbridge, Navrangpura, Ahmedabad, Gujarat -380009.	U72200GJ2009PTC058188	Subsidiary	-	2(87)
9	Scalsys Technologies Private Limited F-501, Kamleshwar Elegance, Near Vande Matram Prime, GOTA, Ahmedabad, Gujarat - 382481.	U72200GJ2014PTC079650	Subsidiary	-	2(87)
10	Datamatics Global Services, Inc. Suite 100 & 400, 31572 Industrial Road, Livonia, MI-48150.	Not Applicable	Subsidiary	100.00	2(87)
11	Datamatics Infotech Limited 1 Doughty Street, London WC1N2PH.	Not Applicable	Subsidiary	100.00	2(87)
12	Datamatics Global Services Pty Limited Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.	Not Applicable	Subsidiary	100.00	2(87)
13	Datamatics Global Technologies Ltd 3 rd Floor, Harbour Front Building, President John Kennedy Street, Port Louis, Republic of Mauritius.	Not Applicable	Subsidiary	100.00	2(87)

Annexure – D (Contd.)

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares Held as on March 31, 2017	Applicable Section
14	Datamatics Global Technologies AG MSJG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.	Not Applicable	Subsidiary	100.00	2(87)
15	Datamatics Global Services FZ-LLC 2917, 3201, 32 nd Floor, Al Shatha Tower, Dubai, United Arab Emirates.	Not Applicable	Subsidiary	100.00	2(87)
16	Techjini Inc Suite #100, 510 Thornall Street, Edison, NJ – 08837.	Not Applicable	Subsidiary	-	2(87)
17	Datamatics Global Technologies GmbH Gerhart-Hauptmann-Strasse 20, 64347 Griesheim.	Not Applicable	Subsidiary	-	2(87)
18	Datamatics Global Services Corporation. Unit 1807, Cityland Condominium, 10, Tower, H.V Dela Costa ST. Corner, Ayala Ave, Makati City.	Not Applicable	Subsidiary	-	2(87)
19	Datamatics Robotics Software Inc Suite 100 & 400, 31572 Industrial Road, Livonia, MI-48150.	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 Chambers, 4 th Floor, Ellen Skeleton Building, 3076, Sir Francis Drake Highway, Road Town, Tortola, BVI, VG 1110.	Not Applicable	Subsidiary	-	2(87)
24	CIGNEX Datamatics, Inc. 31572 Industrial RD, Suite 400, Livonia MI 48150.	Not Applicable	Subsidiary	-	2(87)
25	CIGNEX Datamatics GmbH Fuhrmannstrasse 8, 64289 Darmstadt, Germany.	Not Applicable	Subsidiary	-	2(87)
26	CIGNEX Datamatics Pte. Limited 08-03, SGX Centre 2, 4 Shenton Way, Singapore 068807.	Not Applicable	Subsidiary	-	2(87)
27	Cignex Datamatics UK Limited First House, 11 Furzton Lake, Shirwell Crescent, Milton Keynes, Buckinghamshire, MK41GA.	Not Applicable	Subsidiary	-	2(87)
28	Duo Consulting Inc 641 West Lake Street, Suite 301, Chicago IL 60601.	Not Applicable	Subsidiary	-	2(87)

Annexure – D (Contd.)

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, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. PROMOTERS									
1) Indian									
a) Individual/HUF	11,237,572	0	11,237,572	19.06	11,237,572	0	11,237,572	19.06	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp.	31,813,742	0	31,813,742	53.97	31,813,742	0	31,813,742	53.97	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(1)	43,051,314	0	43,051,314	73.03	43,051,314	0	43,051,314	73.03	0.00
2) Foreign									
a) NRIs- Individual	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Promoter Shareholding (A) = (A)(1)+(A)(2)	43,051,314	0	43,051,314	73.03	43,051,314	0	43,051,314	73.03	0.00
B. PUBLIC SHAREHOLDING									
1. Institutions									
(i) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ii) Banks / FI	98,549	0	98,549	0.17	94,115	0	94,115	0.16	-0.01
(iii) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
(iv) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
(v) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(vi) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(vii) FIs	477,569	0	477,569	0.81	307,165	0	307,165	0.52	-0.29
(viii) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(ix) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(x) Others Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	576,118	0	576,118	0.98	401,280	0	401,280	0.68	-0.30

Annexure – D (Contd.)

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 1, 2017)				No. of Shares held at the end of the year (As on March 31, 2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions									
a) Bodies Corp.									
(i) Indian	3,083,865	500	3,084,365	5.23	2,074,881	500	2,075,381	3.52	-1.71
(ii) Overseas	0	247,000	247,000	0.42	-	247,000	247,000	0.42	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	7,200,151	143,176	7,343,327	12.46	7,577,546	112873	7,690,419	13.05	0.59
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	4,144,258		4,144,258	7.03	4,960,599	0	4,960,599	8.42	1.38
c) Others, specify									
NRIs (Rep. & Non-Rep.)	502,755	200	502,955	0.85	468,968	200	469,168	0.80	-0.06
IEPF	0	0	0	0.00	38,626	0	38,626	0.07	0.07
Foreign National	0	0	0	0.00	15,550	0	15,550	0.03	0.03
Sub-total (B)(2)	14,931,029	390,876	15,321,905	25.99	15,136,170	360,573	15,496,743	26.29	0.30
Total Public Shareholding (B) = (B)(1) + (B)(2)	15,507,147	390,876	15,898,023	26.97	15,537,450	360,573	15,898,023	26.97	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	-
Grand Total (A+B+C)	58,558,461	390,876	58,949,337	100.00	58,588,764	360,573	58,949,337	100.00	0.00

ii) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2017)			Shareholding at the end of the year (As on March 31, 2018)			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the Company	% of shares Pledged/encumbered to total shares	
1	Delta Infosolutions Pvt. Ltd.	31,813,742	53.97	0.00	31,813,742	53.97	0.00	0.00
2	Dr. Lalit S. Kanodia	3,230,995	5.48	0.00	3,230,995	5.48	0.00	0.00
3	Mrs. Asha L. Kanodia	3,305,258	5.61	0.00	3,305,258	5.61	0.00	0.00
4	Mr. Rahul L. Kanodia	209	0.0004	0.00	209	0.0004	0.00	0.00
5	Mr. Sameer L. Kanodia	1,472,858	2.50	0.00	1,472,858	2.50	0.00	0.00
6	Mrs. Priyadarshini R. Kanodia	1,473,735	2.50	0.00	1,473,735	2.50	0.00	0.00
7	Mrs. Aneesha A. Dalmia	1,352,874	2.29	0.00	1,352,874	2.29	0.00	0.00
8	Mrs. Amrita V. Bhogilal	319,143	0.54	0.00	319,143	0.54	0.00	0.00
9	Mr. Yogendra S. Kanodia	6,500	0.01	0.00	6,500	0.01	0.00	0.00
10	Yogendra Kanodia HUF	1,700	0.003	0.00	1,700	0.003	0.00	0.00
11	Smt. Chandravati S. Kanodia	36	0.0001	0.00	36	0.0001	0.00	0.00
12	Dr. Lalit S. Kanodia HUF -2	74,264	0.13	0.00	74,264	0.13	0.00	0.00
	Total	43,051,314	73.03	0.00	43,051,314	73.03	0.00	0.00

Annexure – D (Contd.)

iii) Change in Promoters' Shareholding

Sr. No.	Name of Promoters	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (As on March 31, 2018)	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Delta Infosolutions Pvt. Ltd.					
	At the beginning of the year	1-Apr-17	31,813,742	53.97	31,813,742	53.97
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			31,813,742	53.97
2.	Dr. Lalit S. Kanodia					
	At the beginning of the year	1-Apr-17	3,230,995	5.48	3,230,995	5.48
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			3,230,995	5.48
3.	Mrs. Asha L. Kanodia					
	At the beginning of the year	1-Apr-17	3,305,258	5.61	3,305,258	5.61
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			3,305,258	5.61
4.	Mr. Rahul L. Kanodia					
	At the beginning of the year	1-Apr-17	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	31-Mar-18			209	0.0004
5.	Mr. Sameer L. Kanodia					
	At the beginning of the year	1-Apr-17	1,472,858	2.50	1,472,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			1,472,858	2.50
6.	Mrs. Priyadarshini R. Kanodia					
	At the beginning of the year	1-Apr-17	0	0	-	0.00
	Increase/decrease in Shareholding		1,473,735	2.50	1,473,735	2.50
	At the end of the year	31-Mar-18			1,473,735	2.50
7.	Mrs. Aneesha A. Dalmia					
	At the beginning of the year	1-Apr-17	1,352,874	2.29	1,352,874	2.29
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			1,352,874	2.29
8.	Mrs. Amrita V. Bhogilal					
	At the beginning of the year	1-Apr-17	319,143	0.54	319,143	0.54
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			319,143	0.54
9.	Mr. Yogendra S. Kanodia					
	At the beginning of the year	1-Apr-17	6,500	0.01	6,500	0.01
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			6,500	0.01
10.	Yogendra Kanodia HUF					
	At the beginning of the year	1-Apr-17	1,700	0.00	1,700	0.003
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			1,700	0.003
11.	Smt. Chandravati S. Kanodia					
	At the beginning of the year	1-Apr-17	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	31-Mar-18			36	0.0001

Annexure – D (Contd.)

Sr. No.	Category of Shareholders	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (As on March 31, 2018)	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
12.	Dr. Lalit S. Kanodia HUF - 2					
	At the beginning of the year	1-Apr-17	74,264	0.13	74,264	0.13
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			74,264	0.13

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

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Mr. Shaunak Jagdish Shah					
	At the beginning of the year	1-Apr-17	999,149	1.69	999,149	1.69
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			999,149	1.69
2.	Mr. Jagdish Amritlal Shah					
	At the beginning of the year	1-Apr-17	748,395	1.27	748,395	1.27
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			748,395	1.27
3.	Jamson Securities Pvt Ltd					
	At the beginning of the year	1-Apr-17	580,660	0.99	580,660	0.99
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			580,660	0.99
4.	Mr. Bhadra Jayantilal Shah					
	At the beginning of the year	1-Apr-17	350,000	0.59	3,50,000	0.59
	Increase	28-Apr-17	50,000	0.08	400,000	0.68
	Increase	9-Jun-17	100,000	0.17	500,000	0.85
	At the end of the year	31-Mar-18			500,000	0.85
5.	Ms. Jagruti Shaunak Shah					
	At the beginning of the year	1-Apr-17	488,098	0.83	488,098	0.83
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			488,098	0.83
6.	Infologix BVI Limited					
	At the beginning of the year	1-Apr-17	247,000	0.42	247,000	0.42
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			247,000	0.42
7.	Mr. B N Nagamani					
	At the beginning of the year	1-Apr-17	200,000	0.34	200,000	0.34
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			200,000	0.34

Annexure – D (Contd.)

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
8.	Mr. Kamlesh B Shah					
	At the beginning of the year	1-Apr-17	-	-	-	-
	Increase/Decrease in Shareholding	28-Jul-17	228,600	0.39	228,600	0.39
	Increase/Decrease in Shareholding	15-Sep-17	45000	0.08	273,600	0.46
	Increase/Decrease in Shareholding	9-Feb-18	-100000	-0.17	173,600	0.29
	At the end of the year	31-Mar-18				
9.	Mr. Nagendra Gupta					
	At the beginning of the Year	1-Apr-17	106191	0.18	106,191	0.18
	Increase/Decrease in Shareholding	21-Apr-17	-7100	-0.01	99,091	0.17
	Increase/Decrease in Shareholding	5-May-17	1000	0.00	100,091	0.17
	Increase/Decrease in Shareholding	12-May-17	1000	0.00	101,091	0.17
	Increase/Decrease in Shareholding	26-May-17	2500	0.00	103,591	0.18
	Increase/Decrease in Shareholding	2-Jun-17	3480	0.01	107,071	0.18
	Increase/Decrease in Shareholding	9-Jun-17	750	0.00	107,821	0.18
	Increase/Decrease in Shareholding	16-Jun-17	6679	0.01	114,500	0.19
	Increase/Decrease in Shareholding	23-Jun-17	600	0.00	115,100	0.20
	Increase/Decrease in Shareholding	30-Jun-17	900	0.00	116,000	0.20
	Increase/Decrease in Shareholding	7-Jul-17	-900	0.00	115,100	0.20
	Increase/Decrease in Shareholding	14-Jul-17	-2808	0.00	112,292	0.19
	Increase/Decrease in Shareholding	21-Jul-17	1000	0.00	113,292	0.19
	Increase/Decrease in Shareholding	1-Sep-17	4708	0.01	118,000	0.20
	Increase/Decrease in Shareholding	29-Sep-17	3000	0.01	121,000	0.21
	Increase/Decrease in Shareholding	6-Oct-17	6000	0.01	127,000	0.22
	Increase/Decrease in Shareholding	13-Oct-17	2000	0.00	129,000	0.22
	Increase/Decrease in Shareholding	20-Oct-17	-10921	-0.02	118,079	0.20
	Increase/Decrease in Shareholding	27-Oct-17	18921	0.03	137,000	0.23
	Increase/Decrease in Shareholding	31-Oct-17	1000	0.00	138,000	0.23
	Increase/Decrease in Shareholding	10-Nov-17	2600	0.00	140,600	0.24
	Increase/Decrease in Shareholding	17-Nov-17	-2405	0.00	138,195	0.23
	Increase/Decrease in Shareholding	24-Nov-17	-3195	-0.01	135,000	0.23
	Increase/Decrease in Shareholding	1-Dec-17	3022	0.01	138,022	0.23
	Increase/Decrease in Shareholding	8-Dec-17	-4432	-0.01	133,590	0.23
	Increase/Decrease in Shareholding	15-Dec-17	10548	0.02	144,138	0.24
	Increase/Decrease in Shareholding	22-Dec-17	-3165	-0.01	140,973	0.24
	Increase/Decrease in Shareholding	29-Dec-17	-906	0.00	140,067	0.24
	Increase/Decrease in Shareholding	5-Jan-18	2000	0.00	142,067	0.24
	Increase/Decrease in Shareholding	12-Jan-18	5077	0.01	147,144	0.25
	Increase/Decrease in Shareholding	19-Jan-18	2856	0.00	150,000	0.25
	Increase/Decrease in Shareholding	26-Jan-18	-902	0.00	149,098	0.25
	Increase/Decrease in Shareholding	2-Feb-18	1902	0.00	151,000	0.26
	Increase/Decrease in Shareholding	9-Feb-18	-16372	-0.03	134,628	0.23
	Increase/Decrease in Shareholding	16-Feb-18	16824	0.03	151,452	0.26
	Increase/Decrease in Shareholding	23-Feb-18	-7555	-0.01	143,897	0.24

Annexure – D (Contd.)

Sr. No.	Name of Shareholder	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	Increase/Decrease in Shareholding	2-Mar-18	-5209	-0.01	138,688	0.24
	Increase/Decrease in Shareholding	9-Mar-18	-791	0.00	137,897	0.23
	Increase/Decrease in Shareholding	16-Mar-18	-1511	0.00	136,386	0.23
	Increase/Decrease in Shareholding	23-Mar-18	-4851	-0.01	131,535	0.22
	Increase/Decrease in Shareholding	29-Mar-18	19465	0.03	151,000	0.26
	At the end of the year	31-Mar-17			151,000	0.26
10.	Mr. Arun Nahar					
	At the beginning of the year	1-Apr-17	150,400	0.26	150,400	0.26
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			150,400	0.26

v) Shareholding of Directors and Key Managerial Personnel

Sr. No.	Particulars	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1.	Dr. Lalit S. Kanodia					
	At the beginning of the year	1-Apr-17	3,230,995	5.48	3,230,995	5.48
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			3,230,995	5.48
2.	Mr. Rahul L. Kanodia					
	At the beginning of the year	1-Apr-17	209	0.00035	209	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			209	0.00
3.	Mr. Sameer L. Kanodia					
	At the beginning of the year	1-Apr-17	1,472,858	2.50	1,472,858	2.50
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			1,472,858	2.50
4.	Mrs. Asha L. Kanodia					
	At the beginning of the year	1-Apr-17	3,305,258	5.61	3,305,258	5.61
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			3,305,258	5.61
5.	Mr. R. K. Saraswat					
	At the beginning of the year	1-Apr-17	1,000	0.002	1,000	0.002
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			1,000	0.002
6.	Mr. Shahzaad S. Dalal					
	At the beginning of the year	1-Apr-17	2,000	0.003	2,000	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			2,000	0.00

Annexure – D (Contd.)

Sr. No.	Particulars	Date	Shareholding at the beginning of the year (As on April 1, 2017)		Cumulative Shareholding during the year (April 01, 2017 to March 31, 2018)	
			No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
7.	Mr. Dilip D. Dandekar					
	At the beginning of the year	1-Apr-17	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			0	0.00
8.	Mr. Vinay M. Aggarwal					
	At the beginning of the year	1-Apr-17	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			0	0.00
9.	Ms. Divya Kumat					
	At the beginning of the year	1-Apr-17	100	0.0002	100	0.00
	Increase/decrease in Shareholding	13-Oct-17	100	0.0002	200	0.00
	At the end of the year	31-Mar-18			200	0.00
10.	Mr. Sandeep Mantri					
	At the beginning of the year	1-Apr-17	0	0.00	0	0.00
	Increase/decrease in Shareholding		No change during the year		No change during the year	
	At the end of the year	31-Mar-18			0	0.00

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

(₹ in million)

Particulars	Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year i.e. As on April 1, 2017				
i) Principal Amount	392.31	100.00	-	492.31
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	1.85	-	-	1.85
Total (i+ii+iii)	394.16	100.00	-	494.16
Change in Indebtedness during the financial year				
Addition	562.83	-	-	562.83
Reduction (Repayment)	(493.06)	(100.00)	-	(593.06)
Net Change (ii)	69.77	100.00	-	(30.23)
Indebtedness at the end of the financial year i.e. March 31, 2018				
i) Principal Amount	463.25	-	-	463.25
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.68	-	-	0.68
Total (i+ii+iii)	463.93		-	463.93

Annexure – D (Contd.)

VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in million)

Sr. No.	Particulars of Remuneration	Name of MD/WTDs/Manager			Total Amount
		Dr. Lalit S. Kanodia, Chairman & Whole Time Director	Mr. Rahul L. Kanodia, Vice Chairman & CEO	Mr. Sameer L. Kanodia, Whole-Time Director	
1	Gross salary	5.88	9.08	3.31	18.27
a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	1.43	0.85	0.77	3.05
b)	Value of perquisites under section 17(2) Income-tax Act, 1961	-	-	-	
c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	
2	Stock Option	-	-	-	
3	Sweat Equity	-	-	-	
4	Commission As % of profit	3.25	3.25	-	6.50
5	Others, specify				
	Total (A)	10.56	13.18	4.08	27.82
	Ceiling as per the Act (10% of Profits calculated under Section 198 of the Companies Act, 2013)		49.91		

B. Remuneration to other directors:

(₹ in million)

Sr. No.	Particulars of Remuneration	Fee for attending Board/Committee meetings	Commission	Total Amount
1	Independent Directors			
	Mr. R. K. Saraswat	0.15	0.25	0.40
	Mr. Dilip Dandekar	0.125	0.25	0.38
	Mr. Vinay Aggarwal	0.125	0.25	0.38
	Mr. Sudhir Deshpande	0.15	0.19	0.34
	Mr. Shahzaad Dalal	--	0.05	0.05
	Total (1)	0.40	0.99	1.54
2	Other Non-Executive Directors			
	Mrs. Asha L. Kanodia	0.125	0.25	0.38
	Total (2)	0.13	0.25	0.38
	Total Managerial Remuneration	0.53	1.24	1.92
	Ceiling as per the Act (1% of Profits calculated under Section 198 of the Companies Act, 2013)		4.91	

Annexure – D (Contd.)

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. Sandeep Mantri Chief Financial Officer (KMP)	Total
1	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961.	5.95	5.08	11.03
	b) Value of perquisites under section 17(2) Income-tax Act, 1961.	0.56	0.63	1.19
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	as % of profit			
5	Others - Contribution to Provident Fund, Allowance etc.	-	-	-
Total		6.51	5.71	12.22

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, 2018.				
Punishment					
Compounding					
B. Directors					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2018.				
Punishment					
Compounding					
C. Other Officers In Default					
Penalty	There were no penalties, punishment, compounding of offences during the year ended March 31, 2018.				
Punishment					
Compounding					

Management Discussion and Analysis Report

With the support of a sustained economic upswing since 2016, this financial year pushed the global GDP to grow at an estimate of 3.2%. In this favourable environment, the Indian IT-BPM was projected to grow at 8% in FY2017-18, reaching an estimate of US\$ 167 Billion in value. India has also successfully established itself as a blossoming digital economy, with 375+ million internet subscribers. Nestled in this economic industry sweet-spot, Datamatics builds digitally transformative solutions using Robotics, Artificial Intelligence, the Cloud, Mobility, and Advanced Analytics.

Overview of the Industry

The financial year 2017-18 continued to witness a global economic upswing which has become broader and stronger since its inception in mid-2016. This has brought several opportunities to bolster growth, enabling governments to better equip themselves to address any downturn. The Global GDP growth is forecast to accelerate to 3.2% in 2018, the strongest annual expansion since 2011.

This financial year was also a defining year for India Inc., despite the disruptions due to demonetization and GST which led to a temporary dip in GDP growth. However, it has witnessed a cyclical recovery, driven by investments as well as consumption, and the average GDP growth was projected to reach 6.7 percent in 2017-18 and accelerate to 7.3 percent and 7.5 percent in 2018-19 and 2019-20 respectively. The IT and ITES sectors' contribution to GDP has dipped from a peak of 9.5 percent in 2014-15 to about 6.35 percent in the last three years.

The year gone by can also be characterized as the 'Year of Reforms' with implementation of measures such as GST, RERA, Insolvency and Bankruptcy Code (IBC), bank mergers, PSU banks recapitalization, Moody's upgradation of India's sovereign bond rating, leadership changes at two of the country's reputed companies, Infosys & Tata group, and interest rate cuts on small savings schemes like Public Provident Fund (PPF) that has set the directional tone for the country's business journey.

Growth of the IT Sector

The 'Digital India' campaign has put the country on the path of becoming a digital economy and its outlook for future is extremely promising. India is on track to be a trillion dollar digital economy backed by Government's collaborative approach to encourage private sector participation. Increasing access to internet in both urban as well as rural areas, ambitious e-governance projects, continuous focus on skill development and growing digital transactions are some of the key growth indicators.

India ranked ninth out of the 14 countries in the latest report of the Korn Ferry Digital Sustainability Index (DSI), outperforming countries such as China, Russia and Brazil. The Indian IT-BPM industry was projected to grow at 8 per cent in 2017-18 from US\$ 154 billion to US\$ 167 billion (excluding e-commerce), in addition to providing 1,05,000 new jobs during the same period. Indian IT exports was also projected to grow at 7-8 per cent in 2017-18 to US\$ 126 billion, contributing 24 percent to the country's total exports, according to industry lobby NASSCOM.

\$167 billion

Indian IT-BPM Industry FY2018.

Management Discussion and Analysis Report *(Contd.)*

India has successfully established itself as a digital economy with 375+ million Internet subscribers. Projects like 'Smart Cities' (which will have IT driven systems to deliver urban utilities) coupled with schemes like the National Digital Literacy Mission and e-kranti will continue the wave of digitization - a significant boost to the sector in India.

Increased penetration of internet and decline in data costs will create more opportunities for new businesses. The internet industry in India was likely to reach US\$ 250 billion by 2020, growing to 7.5 per cent of the GDP.

The public cloud services market in India is slated to grow 35.9 per cent to reach US\$ 1.3 billion, according to Gartner. The Indian Healthcare Information Technology market is valued at US\$ 1 billion currently and is expected to grow 1.5 times by 2020. India's business-to-business (B2B) e-commerce market is expected to reach US\$ 700 billion by 2020 whereas the business-to-consumer (B2C) e-commerce market is expected to reach US\$ 102 billion by 2020.

Government Initiatives

The significant pillars of growth for India's IT-BPM sector are complemented by Government support, which is consistently working towards sustaining the growth and performance of the IT sector. Some of the major initiatives taken by the government to promote the IT and ITeS sectors in India are as follows:

- Launched project DARPAN - digital advancement of the rural post office for a new India, thereby improving the quality and adding value to services and achieving financial inclusion for the unbanked rural population.
- Centre of Excellence for Internet of Things has been set up in Bengaluru. It has a capacity to incubate 40 start-ups and focuses on building solutions for applications such as agriculture, automobile, telecom, healthcare and consumer goods.
- The Government's IT/ITeS Sector Skill Council (SSC) is facilitating the expansion of skilled workforce with the help of NASSCOM.
- Setting up the wi-fi facility for around 5.5 lakh villages by March 2019 with an estimated investment of Rs 3,700 crore (US\$ 555 million) and the government expects to start broadband services with about 1,000 megabit per second (1 gbps) across 1 lakh gram panchayats.
- The Government has also been promoting regulatory support to protect intellectual property and strengthen cyber security laws among other things.

Datamatics is a technology company that builds intelligent solutions, enabling data-driven businesses to digitally transform themselves through Robotics, Artificial Intelligence, Cloud, Mobility and Advanced Analytics.

Overview of the Business

Datamatics is a technology company that builds intelligent solutions enabling data-driven businesses to digitally transform themselves through Robotics, Artificial Intelligence, Cloud, Mobility and Advanced Analytics.

The Company is focused on delivering a comprehensive suite of innovative services and solutions through which it caters to several Fortune 500 companies, for managing their end-to-end Application Life Cycle and Business Critical Processes.

Datamatics' intelligent solutions help their data driven clients to improve business operations, accelerate digital transformation and maximize returns. The Company has adopted the highest standards of service quality and operational excellence, enabling its clients across a wide range of industries to transform into a truly digital enterprise.

Headquartered in Mumbai, the company has a strong presence across America, Australia, Singapore, Dubai, UK, Switzerland, Austria, Germany, Sweden and Philippines.

Outlook

We live in the era of continuous transformation where new technologies are enabling enterprises to reimagine how they do business and enterprises are becoming flexible and are leveraging data to derive insights that will help them make more informed decisions.

To overcome the challenge of continuous transformation and development of new technologies, Datamatics will focus on striking the right balance between traditional IT and BPM businesses as well as focus on creating intelligent innovative solutions through the incubation hub – DataLabs.

We shall continue to remain focused on a selected few major thrust areas. These will revolve around Robotics, Artificial Intelligence, Mobility and Analytics powered through intelligent solutions that automate business processes.

Management Discussion and Analysis Report *(Contd.)*

With persistent efforts of the government to ease commuting and develop smart city infrastructure, Datamatics also sees a huge opportunity in Automated Fare Collection (AFC) as it is the only company in India to have a highly evolved AFC, smart gates, and contactless gates service offerings.

Risks and Concerns

Being diversified into various business verticals and geographies, Datamatics is prone to multiple factors that may affect the performance of the Company. The Company reviews risks from time to time, initiates mitigation actions, identifies owners and reviews progress along with the cost of treating risks. Some significant risks that could affect the operations at the Company have been identified as below:

Global Economic Risk

We live in interesting and challenging times. Volatility, uncertainty, complexity, and ambiguity are the new buzz and have an extraordinary bearing on enterprise strategy and growth. The global political environment is constantly creating new challenges and opportunities for the industry.

The major concern areas include increasing tension between United States, Korea and other countries, Trump's "America First" trade policy threats, enforcing of protectionist policies with regard to movement of skilled talent etc.

The Company has customers located across the globe and nearly 89% of the revenue comes from international sales. 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.

Datamatics mitigates global economic risk by focusing on new market segments, faster growth in geographies other than US and Europe.

Employee Related Risks

As a talent-driven organization, one of our key goals is to have the best talent, with highly specialized skills in each part of our business, at the right levels in the right locations, to enhance our differentiation and competitiveness.

Being a home for 10,000 plus quality workforce, Datamatics' constantly faces risks such as attracting, retaining, and motivating employees, and ensuring their health and safety at all times.

In an era of continuous transformation, new technologies are enabling enterprises to re-imagine how they do business. By leveraging data to derive insights, businesses are forced to leverage data, taking them to a new level of informed decision making.

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

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

Business Continuity and 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 has successfully concluded the transition to the new version of ISO 9001. Datamatics is now an ISO 9001:2005 certified organization, and complies with the Information Security standards. Datamatics is committed to maintaining 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. The Company's Information Security Policy and control mechanisms ensure that these risks are kept in control. The Information Security team assesses and manages information security and data privacy and related risks.

Management Discussion and Analysis Report (Contd.)

Competition Risk

When companies start targeting the same opportunity set, they risk increasing competition for themselves, which increases the “cost to grow”. Like in most other industries, opportunity brings with itself competition.

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

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

- Datamatics has deep domain knowledge, skilled professionals, delivery capabilities and efficient sales force along with relationship managers to help retain its competitive positioning amongst peers.
- Adopting a customer centric approach together with its ability to innovate customer specific solutions, through its in-house incubation hub, DataLabs that conducts research and development based on emerging trends and cutting edge technologies.
- Datamatics strives and invests in developing new and improved technologies to keep pace with the increasing level of competition focusing on customer expectations.

Legal and Regulatory Compliance Risk

Every country has its own law with respect to immigration, travel, visa, social security, privacy, data protection etc. which needs a detailed assessment and compliance. There is a risk of non-compliance in the geographies where we operate in particular, we need to keep updated on various regulatory changes from time to time.

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 has a dedicated in-house Compliance team which envision compliance risks and ensure compliance with domestic as well as overseas laws and regulations. We have in place compliance monitoring process which covers identifying new laws and getting periodical compliance updates from specialist consultants across the globe, who support us in adhering to country specific compliance and

regulatory requirements. Changes in the applicable regulations are monitored and tracked on a global basis.

Currency Risk

Datamatics is exposed to currency fluctuation risks due to its participation in business activities across the globe. Volatility in currency exchange movements results in transaction and translation exposure. The Company's functional currency is the Indian Rupee. Appreciation of the Rupee against any major currency results in the revenue denominated in that currency to appear lesser in reported terms. Further, there could be collection losses if the exchange rates move between the time revenue is booked and the invoice amount is collected.

Datamatics manages this risk through an appropriate hedging strategy and business marketing practices that is aligned with market best practices, to limit the impact of exchange volatility on earnings and collections. The Company continues to constantly review the economic scenario and update policies accordingly.

Internal Control Systems and their Adequacy

The Company has a proper and adequate system of internal controls. Adequate internal controls ensures transactions are authorized, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition, there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls.

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.

Good governance, well defined systems and processes, a vigilant finance function and an independent internal audit function are the foundation of our internal control systems. These systems provide a reasonable assurance with respect to providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company and ensuring compliance with corporate policies. The Company is committed to ensure that its operations are carried out within a well-defined internal control framework. Its internal financial control systems are commensurate with its size and operations of the Company.

The Company had appointed, M/s. SKPAG, Chartered Accountants, Mumbai as Internal Auditors of the Company to carry out the Internal Audit. During the year, the Internal

Management Discussion and Analysis Report (Contd.)

Datamatics mitigates global economic risk by focusing on new market segments, including faster growing geographies other than the US and Europe.

Auditor has carried out their audit on the significant areas affecting the Company's business.

Discussion on Consolidated Financial Performance with respect to Operational Performance

I. Financial Condition

Sources of Funds

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

a. Share Capital

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

The paid up capital of the Group remains the same as at 31 March 2018 vis-à-vis previous year, i.e. ₹ 294.75 million divided into 58,949,337 Equity Shares of ₹ 5 each fully paid up.

b. Other Equity

Reserves and Surplus

	(In ₹ million)	
	March -18	March -17
Securities Premium	1,080.08	1,080.08
Retained Earnings	3,290.81	2,637.21
Capital Redemption Reserve	494.28	494.28
Capital Reserve	(62.07)	(62.07)
General Reserve	585.88	585.88
Employee Stock Option Outstanding	11.91	11.91
Hedging Reserve	50.14	84.51
Foreign Currency Translation Reserve	(267.92)	(98.32)
FVOCI –Equity Instruments	2.63	2.68
Actuarial Gains/ Losses	(16.69)	(7.89)
Total	5,169.05	4,728.27

Other equity increased by ₹ 440.78 million mainly on account of profit for the year of ₹ 640.85 million, offset by reduction in hedging reserve by ₹ 34.37 million due to change in fair value of outstanding forward contracts and payment of dividend by ₹ 73.68 million.

Total Equity

The total equity increased to ₹ 5,827.44 million as at March 31, 2018 from ₹ 5,231.33 million as at March 31, 2017 an increase by ₹ 596.11 million.

The book value per share increased to ₹ 98.86 as at March 31, 2018 compared to ₹ 88.74 as at March 31, 2017.

Application of Funds

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

Addition to Gross Block

During the year, the Group capitalize ₹ 882.93 million to gross block comprising ₹ 2.49 million on building, ₹ 13.54 million on leasehold improvements, ₹ 61.37 million on computers, ₹ 78.81 million on machinery and equipment, ₹ 11.96 million on furniture and fixtures, ₹ 5.59 million on vehicles, ₹ 457.77 million on Goodwill on acquisition of Datamatics Digital Limited and foreign currency fluctuation, ₹ 211.40 million on software, ₹ 39.98 million on customer contracts on acquisition of Datamatics Digital Limited.

Capital commitments

The Group has capital commitment of Nil as at March 31, 2018 as compared to ₹ 40.64 million as at March 31, 2017.

d. Deferred tax assets / liabilities

	(In ₹ million)	
	Mar -18	Mar -17
Deferred Tax assets, net	139.94	184.57

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

Management Discussion and Analysis Report (Contd.)

e. Trade Receivables

The trade receivables amounted to ₹ 2,047.88 million (net of provision for doubtful debts amounting to ₹ 272.97 million) as at March 31, 2018, compared to ₹ 1,579.78 million (net of provision for doubtful debts amounting to ₹ 306.04 million) as at March 31, 2017. These debts are considered good and realizable. Debtors are at 22.50% and 18.53% of revenues of the year ended March 31, 2018 and March 31, 2017 respectively, representing a Days Sales outstanding of 82 days, compared to 66 days in the previous year.

f. Current and non-current Investments

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

Current investment decreased to ₹ 212.99 million as on March 31, 2018 from ₹ 433.56 million as on March 31,

2017. Non-current investments decreased to ₹ 115.34 million as at March 31, 2018 from ₹ 284.64 million as at March 31, 2017.

g. Cash and cash equivalents

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

Cash and bank balance in current account stands at ₹ 817.84 million as at March 31, 2018 as compared to ₹ 676.63 million as at March 31, 2017. Net cash from operations in F.Y. 17-18 is ₹ 550.49 million as against ₹ 862.11 million in F.Y. 16-17, net cash used in investing activities in F.Y. 17-18 is ₹ 370.93 million as against ₹ 233.11 million in F. Y. 16-17. Net cash used in financing activities in F.Y. 2017-18 is ₹ 38.35 million as against ₹ 563.33 million in F.Y. 16-17.

h. Loans and advances, other assets

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

(In ₹ million)

	Current		Non-current	
	Mar – 18	Mar – 17	Mar – 18	Mar – 17
Loan to employees	15.97	0.48	3.69	4.79
Security deposits	0.17	5.91	93.85	84.70
Fair value of outstanding forward contracts	-	120.59	41.06	6.84
Capital advances	-	-	-	3.21
Prepaid expenses	114.33	118.18	2.83	10.57
Balance with government authorities	-	6.89	64.51	41.01
Other assets	1.95	3.08	0.62	2.07
Interest accrued	0.22	0.07	-	-
Advances to related parties and vendors	79.16	72.85	-	-
Unbilled revenue	577.57	503.35	-	-
Total	789.37	831.40	206.56	153.19

Non-current loans and advances and other assets increased to ₹ 206.56 million as at March 31, 2018 compared to ₹ 153.19 million as at March 31, 2017. Increase is on account of Increase in balance with government authorities of ₹ 23.50 million, Security deposits by ₹ 9.15 million, & Fair value of outstanding forward contracts of ₹ 34.22 million, offset by decrease in prepaid expenses by ₹ 7.74 million and capital advance by ₹ 3.21 million.

Current loans and advances and other current assets were ₹ 789.37 million as at March 31, 2018 compared to ₹ 831.40 million as at March 31, 2017. Current loans and advances include Loan to employees. Other current assets include Security deposits, unbilled revenue, Balance with government authorities, Fair value of Outstanding Forward Contracts maturing within one year and interest accrued on investment and deposits.

Management Discussion and Analysis Report (Contd.)

i. Current and Non-current provisions

(In ₹ million)

	Mar -18	Mar -17
Provision for employee benefits – Gratuity	126.05	93.67
Provision for employee benefits – Leave encashment	85.96	74.34
Total	212.01	168.01

Employee benefits provision increased to ₹ 212.01 million as at March 31, 2018 compared to ₹ 168.01 million as at March 31, 2017.

The Company had declared an interim dividend of ₹ 0.50 for the year ended March 31, 2018. The Board of Directors, in their meeting held on May 29, 2018 proposed a Final Dividend of ₹ 0.25 per equity share (previous year ₹ 0.75). The proposal is subject to the approval of shareholders at the Annual General Meeting.

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

(In ₹ million)

	Mar -18	Mar-17
Trade payable	689.56	625.60
Current maturity of long term borrowing	-	260.83
Interest accrued but not due	-	9.19
Unearned revenue	79.96	118.54
Advance received from customer	-	12.27
Unpaid dividend	1.87	1.45
Statutory liabilities	111.21	73.74
Creditor for capital expenditure	0.55	0.64
Fair Value of Outstanding Forward Contracts	1.80	-
Other payable	18.04	9.56
Total	902.99	1,111.82

Advances received from customers represents money received for the delivery of future services. Unearned revenue primarily comprises advance client billings on fixed-price and fixed-timeframe contracts for which

related costs and earnings were not yet incurred. Unpaid dividends represent dividends paid, but not claimed by shareholders, and are represented by a bank balance of an equivalent amount.

II. Operations Results:

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

(In ₹ million)

Particulars	Mar -18	Mar-17
Revenue from operations	9,102.69	8,524.17
Operating Expenses	8,282.38	7,694.59
EBITDA	820.31	829.58
Other Income	244.32	164.45
Finance Cost	40.30	47.72
Depreciation and amortization	203.30	241.96
Earnings before Share of Profits of JV & Tax	821.03	704.35
Exceptional item	-	(32.88)
Share of net profits of joint ventures	22.86	21.12
Earnings before Tax	843.89	692.59
Taxes	128.86	52.97
Profit after Tax	715.03	639.62

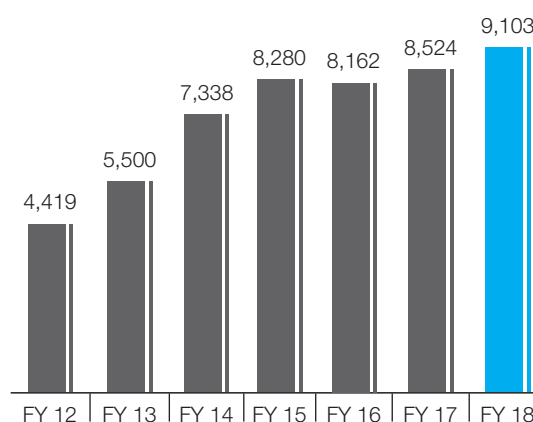
a. Income:

Revenue from Operations

Revenue from operations increased by 6.79% to ₹ 9,102.69 million in F.Y. 2017-18 compared to ₹ 8,524.17 million in F.Y. 2016-17.

Revenues

CAGR 12.8%



Management Discussion and Analysis Report (Contd.)

Analysis of revenue growth (Constant currency growth)

Growth attributable to	FY 2018	FY 2017
Business growth	9.58	3.67
Impact of exchange rate	(2.80)	0.76
Total growth	6.79	4.43

Movements in currency exchange rates through the year resulted in an impact of 2.80% on the reported revenue. The constant currency revenue growth for the year was 9.58%

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

Currency	Weightage (%)	FY 2018	FY 2017	% Change Y oY
USD	62.3	64.46	67.08	(3.91)
GBP	9.9	85.73	87.82	(2.38)
EUR	5.3	75.53	73.53	2.72
AUD	1.3	49.91	50.25	(0.68)
CHF	1.1	66.51	67.83	(1.95)
AED	1.4	17.55	18.26	(3.89)

Our revenue from operations increased by 6.79% to ₹ 9,102.69 million in F.Y. 2017-18 compared to ₹ 8,524.17 million in F.Y. 2016-17. Our total operating expenses amounted to at ₹ 8,282.38 million in F.Y. 2017-18 compared to ₹ 7,694.59 million in F.Y. 2016-17. And our Net Profit after Tax increased to ₹ 715.03 million in F.Y. 2017-18 from ₹ 639.62 million in F.Y. 2016-17.

Segmental performance



61%	USA
17%	Europe
17%	India
5%	RoW



28%	BFSI
28%	Others
5%	Hospitality
6%	IO
10%	Manufacturing
23%	Publishing

Management Discussion and Analysis Report (Contd.)

The Company believes that people are their most valuable asset as they contribute individually, as well as collectively, to the achievement of business objectives. It is Datamatic's long term endeavor is to provide a work environment that encourages a positive attitude and superior performance.

Other Income

(In ₹ million)

	Mar -18	Mar-17
Interest Income	8.41	13.85
Dividend Income	0.50	5.83
Realised and unrealised gain on investments	68.75	35.53
Foreign exchange gain	148.10	100.89
Guarantee fees received	1.00	1.00
Profit on sale of assets	0.94	-
Miscellaneous income	16.62	7.35
Total	244.32	164.45

Other income increased by ₹ 79.87 million in F.Y. 2017-18 from ₹ 164.45 million in F.Y. 2016-17. The increase is primarily on account of gain from exchange fluctuations by ₹ 47.21 million, Realised and unrealised gain on Investments by ₹ 33.22 million, Miscellaneous Income by ₹ 9.27 million. Increase is offset by decrease in Dividend income by ₹ 5.33 million, Interest income by ₹ 5.44 million.

b. Expenditure :

Operating expenses comprise of purchase of IT products and licenses, employee benefits expense and other expenses. The total operating expenses are at ₹ 8,282.38 million in F.Y. 2017-18 compared to ₹ 7,694.59 million in F.Y. 2016-17. Operating expenses as a percentage to revenue has increased from 90.27% of revenue in F.Y. 2016-17 to 90.99% of revenue in F.Y. 2017-18.

Employee benefits expense increased by ₹ 590.40 million to ₹ 5,668.85 million in F.Y. 2017-18. Employee benefit expenses have increased from 59.58% of revenue in F.Y. 2016-17 to 62.28% of revenue in F.Y. 2017-18.

Depreciation and Amortisation

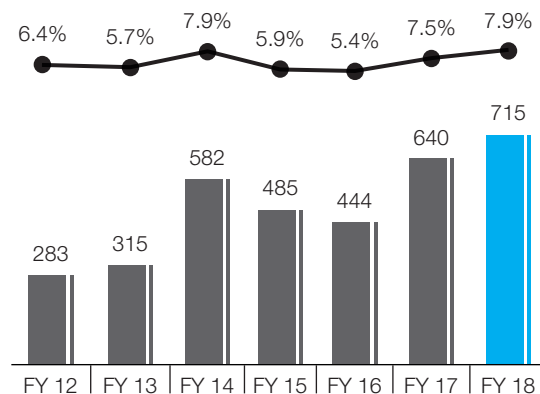
Depreciation charge has decreased to ₹ 203.30 million in F.Y. 2017-18 from ₹ 241.96 million in F.Y. 2016-17.

Profit after Tax

Net Profit after Tax increased to ₹ 715.03 million in F.Y. 2017-18 from ₹ 639.62 million in F.Y. 2016-17. Net profit after minority interest decreased from 651.84 million in F.Y. 2016-17 to ₹ 640.85 million in F.Y. 2017-18.

PAT & PAT Margin %

CAGR 16.74%



Human Resources Management

Datamatics as a Company considers human resources as a strong function which supports the delivery and performance with its ability to maintain, to a large extent, its strength in attracting, developing, motivating and retaining talent. The Company believes that people are their most valuable asset as they contribute individually as well as collectively to the achievement of business objectives. The Company's endeavor is to provide a work environment that encourages a positive attitude and superior performance. The key elements of the Company's human resource management strategy include a comprehensive approach to managing people and the

Management Discussion and Analysis Report *(Contd.)*

workplace culture and environment. Effectively, HR supports employees at every step of their career, which enables employees to grow professionally, contribute effectively and productively to the overall Company direction and the accomplishment of the organization's goals and objectives.

The total global manpower strength of your Company is approximately 9,700 employees.

Cautionary Statement

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

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

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance

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

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

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

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

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

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

II. Board of Directors

a. Size and Composition of the Board:

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

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

As on March 31, 2018, the Board of Directors comprises of eight eminent persons of proven competence and integrity. The names and category of Directors on Board of the Company and number of Directorships / Committee Membership(s) / Chairmanship(s) held by them in other Companies as on March 31, 2018 is summarized as under:

Name	Category	Directorship(s)/Committee Membership(s)/Chairmanship(s)		
		Directorship(s) (see note no.1)	Committee Membership(s) (see note no. 2)	Chairman-ship(s) (see note no. 3)
Executive Directors				
Dr. Lalit S. Kanodia Chairman & Whole -Time Director	Promoter Non-Independent	6	-	-
Mr. Rahul L. Kanodia Vice Chairman & CEO	Promoter Group Non-Independent	5	-	-
Mr. Sameer L. Kanodia Executive Director	Promoter Group Non-Independent	4	-	-
Non-Executive Directors				
Mrs. Asha L. Kanodia	Promoter & Non-Independent	-	-	-
Mr. R. K. Saraswat	Independent	4	7	5
Mr. Shahzaad S. Dalal	Independent	2	-	-
Mr. Dilip D. Dandekar	Independent	8	1	-
Mr. Vinay M. Aggarwal	Independent	-	-	-

Report on Corporate Governance (Contd.)

Notes:

1. Mr. Sudhir C. Deshpande, Independent Director of the Company, demised on March 14, 2018;
2. Directorship excludes directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Act and Datamatics Global Services Limited;
3. This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies.

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

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

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

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

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

b. Board Meeting and Procedures:

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

During the financial year 2017-18, 5 (Five) Board Meetings were held on **May 23, 2017; June 29, 2017; September 14, 2017; November 30, 2017 and February 13, 2018**. With reference to the Regulation 17 of the SEBI Listing Regulations, the gap between the two Board Meetings has not exceeded One Hundred and Twenty Days.

The attendance of each Director at the Board Meetings for the financial year 2017-18 and the last Annual General Meeting is detailed as under:

Name of the Director	Board Meetings		Attendance at the last Annual General Meeting held on September 14, 2017
	Held	Attended	
Dr. Lalit S. Kanodia	5	5	Yes
Mr. Rahul L. Kanodia	5	5	Yes
Mr. Sameer L. Kanodia	5	5	Yes
Mr. R. K. Saraswat	5	5	Yes
Mr. Shahzaad S. Dalal	5	-	No
Mr. Dilip D. Dandekar	5	5	Yes
Mrs. Asha L. Kanodia	5	5	Yes
Mr. Vinay M. Aggarwal	5	5	Yes
Mr. Sudhir C. Deshpande*	5	5	Yes

* Mr. Sudhir C. Deshpande, Independent Director of the Company, demised on March 14, 2018.

Report on Corporate Governance (Contd.)

c. Disclosure of relationships between Directors inter se:

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

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

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

e. Familiarization Program for Independent Directors:

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

III. Committees of the Board:

Currently, the Board has the following four committees:

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

Audit Committee

The Company has constituted a well-qualified and independent Audit Committee as required under Section 177 of the Act, read with Rules thereto, and is also in compliance with Regulation 18 of the SEBI Listing Regulations. The role of audit committee and the

information reviewed by it is as per Part C of Schedule II of the SEBI Listing Regulations, including but not limited to overseeing financial reporting process, review of financial results and related parties transactions, recommendation of appointment, remuneration and terms of auditors and internal auditors, scrutiny of intercorporate loans and investments and to ensure accurate and timely disclosures with the highest levels of transparency, integrity and quality of financial reporting.

Description of Terms of Reference:

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

- i. Review of financial statements before they are submitted to the Board for approval;
- ii. Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors and approval for payment for other services provided by the auditors;
- iii. Review of quarterly, half yearly and yearly financial statements and audit report before they are presented to the Board, focusing inter alia upon:
 - Accounting Policies and any changes thereto;
 - Ensuring compliance with the Accounting Standards;
 - Compliance with the laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements;
 - Significant issues arising out of audit;
 - The going concern assumption;
 - Major accounting entries based upon exercise of judgment by the management;
 - Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large;
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Section 314(3) of the Act.

Report on Corporate Governance (Contd.)

- iv. Review with the management and the auditors on the adequacy of internal control systems;
- v. Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- vi. Review of the Company's financial and risk management policies;
- vii. Examine reasons for default in payment of interest and repayment of principal amounts to depositors and debenture holders, payment of dividend, payments to creditors and payment 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 wholetime 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 comprised of 3 (Three) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman), Mr. Shahzaad S. Dalal and Mr. Sudhir C. Deshpande.

Due to the demise of Mr. Sudhir Deshpande, the Board of Directors re-constituted the Audit Committee through Circular resolution dated April 19, 2018. Currently, the Audit Committee comprises of 3 (Three) Non-Executive Directors and 1 (one) Executive Director viz. Mr. R. K. Saraswat (Chairman), Mr. Shahzaad S. Dalal, Mr. Vinay Aggarwal and Mr. Rahul L. Kanodia (Executive Director).

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

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

» Meetings and Attendance during the year:

During the year under review, the Committee met 5 (Five) times on **May 23, 2017; June 29, 2017; September 14, 2017; November 30, 2017 and February 13, 2018** and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended last 29th AGM held on September 14, 2017.

Report on Corporate Governance (Contd.)

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	5	5
Mr. Shahzaad S. Dalal	Independent	Member	5	-
Mr. Sudhir C. Deshpande*	Independent	Member	5	5
Mr. Rahul L. Kanodia#	Non-Independent	Member	-	-
Mr. Vinay M. Aggarwal#	Independent	Member	-	-

* Mr. Sudhir Deshpande demised on March 14, 2018.

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

Nomination and Remuneration Committee (N&RC)

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

» Description of Terms of Reference:

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

- Determines, reviews and recommends remuneration payable to Executive Directors/ Whole Time Directors in addition to reviewing overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, consider granting of stock options to employees, reviewing compensation levels of the Company's employees vis-à-vis other companies and industry in general;
- Matters relating to appointment of senior executives belonging to grade M12 and above;
- Appointment and transfer 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 person as a Director or in the Senior Management (one level below the Board);
- To recommend to the Board appointment and removal of the Director including Independent Director;
- To carry out evaluation of every Directors performance;
- To recommend to the Board a policy, relating to the remuneration of 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) comprised of 3 (Three) Non-Executive Directors and 1(one) Executive Director, Chairman being Non-Executive Independent Director viz Mr. Sudhir C. Deshpande (Chairman), Mr. R. K. Saraswat, Dr. Lalit S. Kanodia and Mr. Shahzaad S. Dalal.

The composition of N&RC Committee was changed through Circular resolution dated April 19, 2018, due to the demise of Mr. Sudhir C. Deshpande. The N&RC currently comprises of Mr. R. K. Saraswat (Chairman), Dr. Lalit S. Kanodia, Mr. Shahzaad S. Dalal and Mr. Vinay M. Aggarwal. The Company Secretary 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 23, 2017 and February 13, 2018.**

Report on Corporate Governance (Contd.)

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat [#]	Independent	Chairman	2	2
Mr. Sudhir C. Deshpande [*]	Independent	Ex-Chairman	2	2
Dr. Lalit S. Kanodia	Non-Independent	Member	2	2
Mr. Shahzaad S. Dalal	Independent	Member	2	-
Mr. Vinay M. Aggarwal [@]	Independent	Member	-	-

[#] Mr. R. K. Saraswat was appointed as Chairman of the Committee w.e.f April 19, 2018.

^{*} Mr. Sudhir Deshpande demised on March 14, 2018.

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

» Performance evaluation criteria for Independent Directors:

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

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The role of the Stakeholders Relationship Committee is as specified in Part D of Schedule II 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 Registrar 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 Committee comprised of 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman) and Mr. Sudhir C. Deshpande.

Due to the demise of Mr. Sudhir C. Deshpande, the Company re-constituted the Stakeholders Relationship Committee by passing Circular resolution on April 19, 2018. The Committee now comprises of 2 (Two) Non-Executive independent Directors and 1 (One) Executive Director viz. Mr. R. K. Saraswat (Chairman), Mr. Vinay Aggarwal and Mr. Rahul L. Kanodia. The Company Secretary of the Company acts as the Secretary of the Committee.

» Meetings and Attendance during the year:

During the year under review, the Committee met 4 (Four) times on **May 23, 2017; September 14, 2017; November 30, 2017 and February 13, 2018.**

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	4	4
Mr. Sudhir C. Deshpande [*]	Independent	Member	4	4
Mr. Rahul L. Kanodia	Independent	Member	-	-
Mr. Vinay M. Aggarwal [#]	Independent	Member	-	-

^{*} Mr. Sudhir Deshpande demised on March 14, 2018.

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

Report on Corporate Governance (Contd.)

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

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

» **The details of shareholders grievances received and resolved during FY 2017 -18 is given below:**

Sr. No.	Nature of Complaints	Received	Resolved
1.	Non-receipt of Dividend	25	25
2.	Non-receipt of Annual Reports/Notices	1	1
3.	Others	8	8
Total		34	34

Corporate Social Responsibility Committee

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

» **Description of terms of reference:**

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

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

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

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

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

During the year under review, 1 (One) meeting was held on May 23, 2017.

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

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

IV. Remuneration of Directors:

A. Remuneration Policy:

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

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

Report on Corporate Governance (Contd.)

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

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

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

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

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

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

The details of remuneration paid to the executive Directors during the financial year 2017-18 is given in Form MGT-9 which is annexed to the Board's report:

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

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

- b. Performance linked incentives is granted to Mr. Sameer L. Kanodia. The assessment of performance is done by N&RC on the basis of desired results of the projects handled by Mr. Sameer L. Kanodia vis-a-vis overall performance of the Company;
- c. Annual increment of the Executive Directors is determined on the basis of the recommendations of N&RC which is within the overall limit for remuneration as approved by the shareholders.

2. Terms of Appointment of Executive Directors:

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

V. Independent Directors Meeting:

Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was convened on February 13, 2018, without the presence of Non-Independent Directors and Members of Management, to consider, inter alia, the following: (a) review the performance of Non-independent Directors and the Board as a whole; (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors; (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

Report on Corporate Governance (Contd.)

VI. General Body Meetings:

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

Year	Date of Meeting	Time	Place of Meeting	Details of Special Resolution(s) passed
2014-15	August 28, 2015	11.00 a.m	Indian Merchants' Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai - 400 020.	Re-appointment of Dr. Lalit S. Kanodia as Chairman and Whole-Time Director of the Company.
2015-16	September 15, 2016	11.00 a.m		No Special Resolution passed.
2016-17	September 14, 2017	11.00 a.m		No Special Resolution passed.

B. Extraordinary General Meeting:

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

C. Postal Ballot:

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

is regular in posting its Shareholding Pattern, Corporate Governance Report and Corporate Announcements electronically at <https://listing.bseindia.com>.

VII. Means Of Communication:

- Quarterly Results:** The quarterly/half yearly/ annual financial results are published in the English daily 'Financial Express' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: www.datamatics.com.
- Website:** The Company's website: www.datamatics.com contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.
- BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like Shareholding Pattern, Corporate Governance Report, Press Releases and others are also filed electronically on the Listing Centre. The Company

- 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 includes Centralized database of all complaints, online uploading of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

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

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

Report on Corporate Governance (Contd.)

VIII. Management Discussion And Analysis:

The Management Discussion and Analysis Report for the financial year 2017-18 as per the requirement of the SEBI Listing Regulations, is given in a separate section forming part of the Annual Report.

IX. Website:

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

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

X. General Shareholder Information

a) 30th Annual General Meeting:

Day : Tuesday

Date : August 14, 2018

Time : 04.00 p.m.

Venue : Babubhai Chinai Committee Room, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.

b) Financial Year:

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

c) Date of Book Closure:

The books will remain closed from August 08, 2018 to August 14, 2018.

d) Dividend Payment Date:

The Board of Directors of your Company have recommended final dividend of ₹ 0.25 [5%] per share for the financial year 2017-18. Date of payment of the dividend would be within 30 days from the date of AGM i.e. by or before August 14, 2018. During the year, your Board of Directors had declared and paid an interim dividend of ₹ 0.50 [10%] per equity share.

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 2017-18 have been paid by your Company within the stipulated time.

g) Stock Code and Other related Information:

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

Report on Corporate Governance (Contd.)

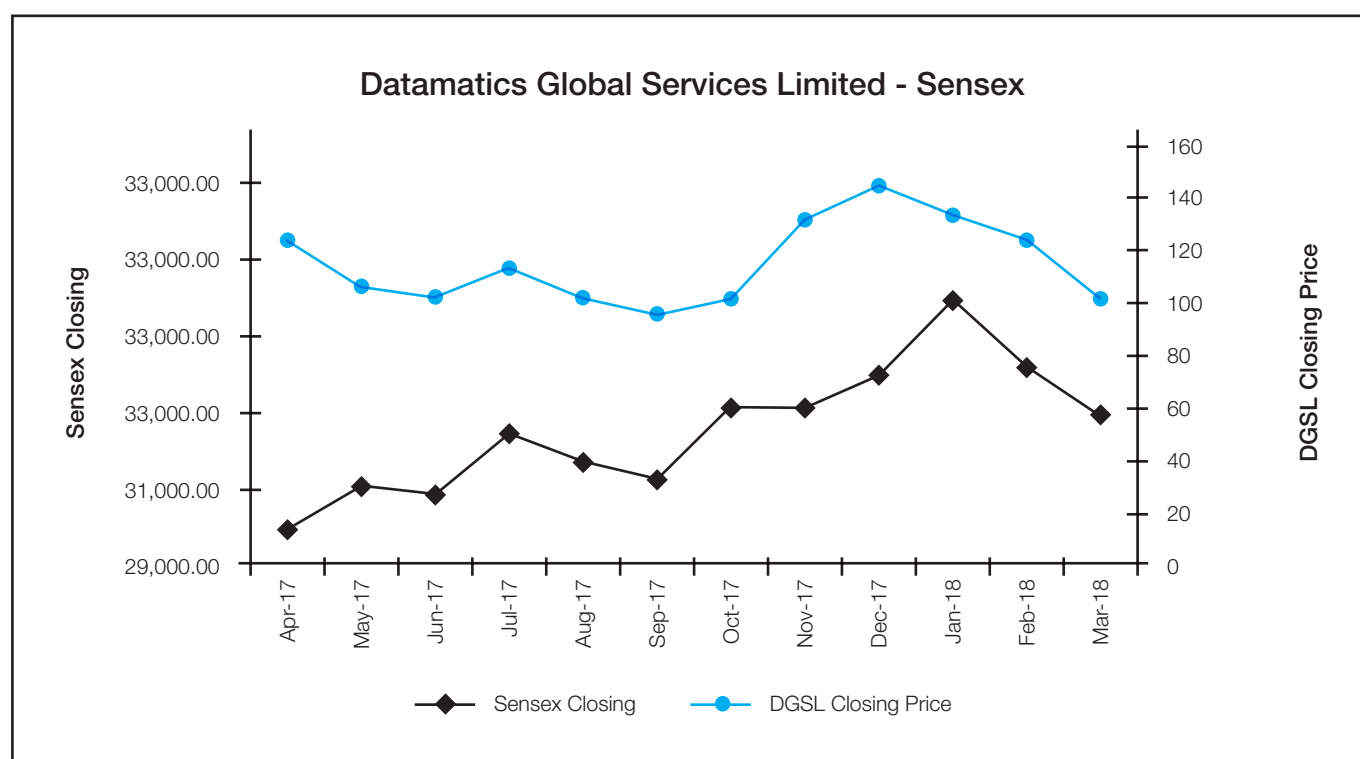
h) Market Price Data:

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

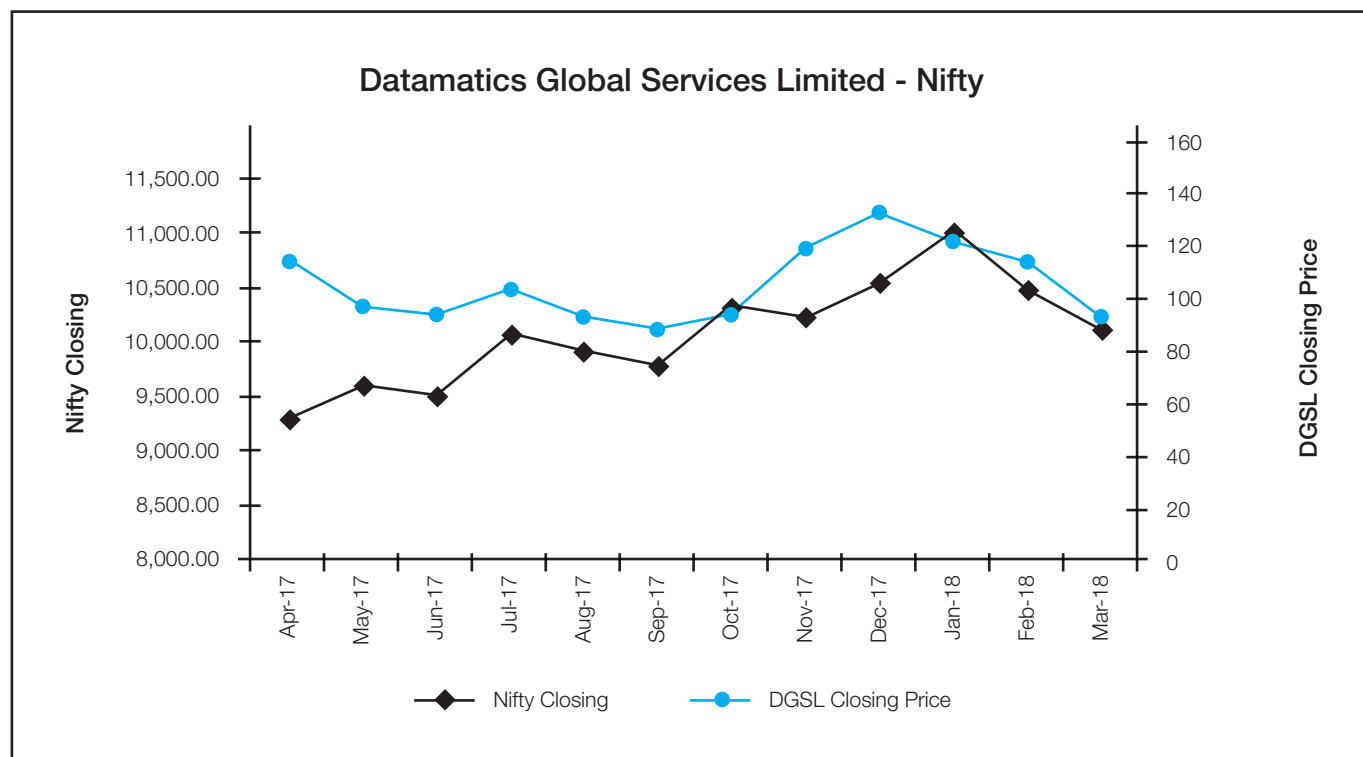
Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2017	137.15	116.00	137.30	120.05
May – 2017	133.80	93.00	134.00	92.35
June – 2017	115.90	98.00	115.75	97.80
July – 2017	126.80	103.00	126.70	102.80
August – 2017	116.50	96.00	116.10	95.40
September – 2017	114.00	93.50	113.80	94.10
October – 2017	110.75	95.00	111.10	95.55
November – 2017	135.65	101.25	135.90	101.30
December – 2017	152.80	120.10	152.70	120.00
January – 2018	148.55	123.00	148.55	126.55
February – 2018	138.15	98.50	138.00	106.90
March – 2018	126.30	101.35	126.10	101.35

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

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



Report on Corporate Governance (Contd.)



j) Registrar and Transfer Agent:

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

k) Share Transfer System:

The Company's Equity Shares in 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.

l) Shareholding as on March 31, 2018:

Distribution of equity shareholding as on March 31, 2018:

Sr. No.	Shareholding No. of Shares		Shares	% To Capital	No. of Holders	% to No. of Holders
	From	To				
1.	1	1,000	37,74,797	6.40	21,001	93.01
2.	1,001	2,000	11,28,874	1.92	729	3.23
3.	2,001	4,000	12,10,897	2.05	406	1.80
4.	4,001	6,000	8,68,538	1.47	175	0.78
5.	6,001	8,000	4,27,387	0.73	61	0.27
6.	8,001	10,000	4,72,960	0.80	51	0.23
7.	10,001	20,000	9,78,191	1.66	69	0.31
8.	20,001	99,999,999,999	5,00,87,693	84.97	88	0.37
Total			58,949,337	100.00	22,580	100.00

Report on Corporate Governance (Contd.)

Categories of equity shareholders as on March 31, 2018

Category	No. of shares	% of Shareholding
Promoters & Promoter Group	43,051,314	73.03
Foreign Portfolio Investor	307,165	0.52
Banks and Financial Institution	94,115	0.16
Individuals	12,651,018	21.47
NBFC registered with SEBI	5,870	0.01
NRI	469,168	0.80
Trust	1,065	0.00
Overseas Corporate Bodies	247,000	0.42
Bodies Corporate	1,994,636	3.38
Clearing Member	73,810	0.13
Foreign Nationals	15,550	0.03
IEPF	38,626	0.05
Total	58,949,337	100.00

m) Unpaid/Unclaimed Dividend:

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

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

Year of Declaration	Date of Declaration	Interim/Final	Rate of Dividend (In ₹)	Date of Transfer to IEPF
2010-11	September 15, 2011	Final	₹ 0.75 per share	October 14, 2018
2011-12	September 26, 2012	Final	₹ 0.75 per share	October 25, 2019
2012-13	September 24, 2013	Final	₹ 1.00 per share	October 23, 2020
2013-14	September 23, 2014	Final	₹ 1.25 per share	October 22, 2021
2014-15	September 23, 2014	Interim	₹ 0.35 per share	October 22, 2021
2014-15	August 28, 2015	Final	₹ 0.65 per share	September 27, 2022
2015-16	March 21, 2016	Interim	₹ 0.50 per share	April 20, 2023
2015-16	September 15, 2016	Final	₹ 0.25 per share	October 14, 2023
2016-17	September 14, 2017	Final	₹ 0.75 per share	October 13, 2024
2017-18	March 21, 2018	Interim	0.50 per share	April 20, 2025

Note : An amount of ₹ 262,945/- lying in the Unpaid Dividend Account for the Financial Year 2009-10, has been transferred to IEPF account on October 10, 2017, the details of which is available on the website of the Company.

In respect of the dividend transferred under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from IEPF Authority, in accordance with

Report on Corporate Governance (Contd.)

such procedure and on submission of such documents as may be prescribed.

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

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

During the financial year, the Company had transferred 38,626 shares to IEPF. Details of these shares are available on the Company's website www.datamatics.com. Further, shares in respect of whom dividend will remain unclaimed for seven consecutive years, will be reviewed for transfer to the Investor Education and Protection Fund as required by law. The Company will transfer the said shares, after sending an intimation of such proposed transfer in advance to the concerned shareholders, as well as, publish a public notice in this regard. Names of such transferees will be available on the Company's website www.datamatics.com.

o) Dematerialization of shares and liquidity:

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the Central Depository Services (India)

Limited [CDSL] and National Securities Depository Limited [NSDL]. The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN allotted to the Company is INE365B01017. As on March 31, 2018, 58,558,764 Equity Shares out of 58,949,337 Equity Shares of the Company, constituting 99.39% of the Company's paid-up capital are held in the dematerialized form. Share dematerialized upto March 31, 2018 are as under.

Category	As on March 31, 2018	
	No. of Shares	%
Shares in Demat form	58,558,764	99.39
- NSDL	2,02,76,568	34.39
- CDSL	3,83,12,196	65.00
Shares in Physical Form	3,60,573	0.61
Total	58,949,337	100.00

p) ADRs/GDRs/Warrants:

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

q) Foreign exchange risk:

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

r) Office Locations:

India	
Registered Office:	
Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093.	
Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.	Unit No. 189-190, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.
Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.	701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ, Andheri (East), Mumbai - 400 096.
Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.	Unit No. 172, SDF VI, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.
Unit No. 105, Multistoried Building, 1 st Floor, SEEPZ – SEZ, Andheri (E), Mumbai - 400 096.	The Great Oasis, 5 th Floor, Plot No, D-13, Road No. 21 MIDC, Andheri (E), Mumbai - 400 093.
Suyojit Datamatics Knowledge Center, Suyojit I.T. Park, Survey No. 804, Unit No. S1-S3, Mumbai Agra Road, Nashik - 422 002.	12 th & 13 th Floor, Phase II, Ascendas International Tech Park, Taramani Road, Chennai 600113.
RR Towers III, 3 rd floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032.	Office No 5, Second Floor, Tower-I, Stellar IT Park, C-25, Sector-62 Noida – 201301.

Report on Corporate Governance (Contd.)

India	
Unit No. A-4, 2 nd Floor, Tower C, Centrum Plaza, Golf Course Road, Sector – 53, Gurgaon.	Plot No 29-34, East Coast Road, (100 Feet Road), Saram Revenue Village, Oulgaret Municipality, Lawspet Post, Puducherry - 605008.
“RJ Grand” R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry – 8.	Ground Floor, President Plaza Cross Roads, S.G Highway, Ahmedabad -380 054, Gujarat.
Cessna Business Park, Embassy Singnet Building, IV Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Bangalore – 560103.	Gaayathri Chambers, Second Floor, No. 948 24 th Main, JP Nagar 2 nd Phase Bangalore, Karnataka – 560078.
A-103, Siddhivinayak Toweres, Behind DCP Office, Off S G Highway, Ahmedabad - 380051, Gujarat.	

Overseas	
Suite 400, 31572 Industrial Road, Livonia, MI – 48150.	3 rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.
345, 7 th Avenue, Suite No. 401, New York – 10001.	1, Doughty Street, London, WC1N2PH.
Suite #220, 56 Middlesex Turnpike Burlington, MA – 01803.	Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.
Suite #100, 510 Thornall Street, Edison, NJ – 08837.	100 Overlook, Center, 2 nd Floor, Princeton, NJ 08540.
3001 Dallas Parkway Suite 580, Frisco, TX 75034.	Gerhart-Hauptmann-Strasse 20, 64347 Griesheim.
Ecos Office Centre, Room No. 29, Leuschnerpark, IM, Leuschnerpark 4, 64347, Griesheim.	200 South Walker, Suite 625, Chicago, IL 60606.
268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom.	Office 3201, 32 nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE PO Box: 501755.
4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.	4 Collins Avenue, Plymouth MA 02360 USA
3265 Farmtrail Road, York, PA 17406.	MSG Rechtsanwälte & Notare, Vortstadt 32, 6304, Zug, Switzerland.
4633 Old Ironsides Dr., Ste. 109, Santa Clara, CA 95054.	2350, Mission College Boulevard, Suite 490, Santa Clara, CA 95054.
First House, 11 Furzton Lake, Shirwell Crescent, Milton Keynes, Buckinghamshire, MK41GA.	1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila.
Suite # 192, 2001 NE, 46 th St. Kansas City, MO - 64116	3 rd Floor, Tower 1, Rockwell Business Center Ortigas Ave, Pasig City, 1600 Metro Manila, Philippines.
Suite 302, 52 Atchison St, Leonards, NSW 2065.	

s) Address for Correspondence

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

Report on Corporate Governance (Contd.)

XI. Disclosures

a) **Materially significant related party transactions:**

During the financial year 2017-18, the Company has not entered into any material transactions with any of its related parties that may have potential conflict with the interests of the Company at large. The related party transactions entered into with the related parties as defined under the Act and with the SEBI Listing Regulations, during the financial year were in the ordinary course of business and at an arm's length basis and the same has been approved by the Audit Committee. The details of transactions with related parties are disclosed in the Notes to accounts of the Standalone Financial Statements. The Board of Directors have approved a policy for related party transactions which has been uploaded on the Company's website: <http://www.datamatics.com/investors/corporate-governance>

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

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

c) **Whistleblower/Vigil Mechanism:**

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

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

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

- i. The Company's financial statements have unmodified audit opinions.

- ii. The company has appointed separate persons to the post of Chairman and CEO.

- iii. The internal auditors of the Company, M/s. SKPAG & Co., Chartered Accountants, reports directly to the audit committee.

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

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

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

XII. Disclosures of the compliance of Corporate Governance Requirement:

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

XIII. Declaration by CEO:

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

Report on Corporate Governance (Contd.)

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

XV. Disclosure with respect to shares transferred to IEPF:

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed under the said rules. At the end of the year, i.e., as at March 31, 2018, 38,626 equity shares were lying in the IEPF.

Declaration by the CEO

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Datamatics – Code of Conduct and Ethics for the financial year ended March 31, 2018.

Date : May 29, 2018
Place : Mumbai.

Rahul L. Kanodia
Vice-Chairman & CEO

Report on Corporate Governance (Contd.)

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, 2018, as per the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') as referred to in Regulation 15(2) of the Listing Regulations.

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 SEBI Listing Regulations.

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

For M L Bhuwania and Co. LLP
Chartered Accountants
Firm Registration Number: 101484W / W100197

Ashishkumar Bairagra
Partner
Membership No: 109931

Place: Mumbai
Date: May 29, 2018

Independent Auditor's Report on Consolidated Ind AS Financial Statements

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

Report on the Audit of the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS financial statements of **DATAMATICS GLOBAL SERVICES LIMITED** (hereinafter referred to as 'the Holding Company'), and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as 'the Group') and its Joint Venture comprising the Consolidated Balance Sheet as at March 31, 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Ind AS financial statements').

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors are responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated cash flows and the consolidated statement for changes in equity of the Group including Joint Venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

The respective Board of Directors of the Companies included in the Group and Joint Venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and Joint Venture and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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, which have been used for the purpose of preparation of the

Consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Ind AS 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 of the Consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation and presentation of the Consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated Ind AS 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 the paragraph on 'Other Matters' below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS 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 the consideration of reports of the other auditors on

Independent Auditor's Report on Consolidated Ind AS Financial Statements (Contd.)

separate financial statements/consolidated Ind AS financial statements of the subsidiary companies and its Joint Venture referred to in point 1 in the paragraph on "Other Matters" below, the Consolidated Ind AS 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 including the Ind AS, of the consolidated financial position of the Group and its Joint Venture as at March 31, 2018 and their consolidated financial performance (comprising of consolidated profit and consolidated other comprehensive income), their consolidated cash flow and consolidated statement of changes in equity for the year ended on that date.

Other Matters

1. 1. We did not audit the financial statements / information of seventeen subsidiaries (including eight step down subsidiary) included in the consolidated Ind AS financial statements whose financial statements reflect total assets of ₹ 8,134.31 million as at March 31, 2018 and total revenue of ₹ 7,673.42 million, net cash inflows of ₹ 170.57 million and total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2.29 million for the year ended March 31, 2018 and a Joint Venture considered in the consolidated Ind AS financial statement whose financial statements reflect group share of profit of ₹ 22.86 million for the year ended March 31, 2018 respectively. 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 consolidated Ind AS financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries and joint venture is based solely on the report of other auditors.

Our opinion on the consolidated Ind AS financial statements and our report is not modified in respect of this matter.

2. We have relied on the unaudited financial statements / information furnished by the Management with respect to eight step down subsidiaries included in the consolidated Ind AS financial statements, whose financial statement reflect total assets of ₹ 291.14 million as at March 31, 2018, total revenue of ₹ 236.61 million, net cash inflows of ₹ 6.64 million and total comprehensive income (comprising of profit and other comprehensive income) of ₹ Nil million for the year ended March 31, 2018. 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 opinion on the consolidated Ind AS financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements / information certified by the Management.

We are unable to comment upon the resultant impact, if any, on the profit and net assets of the consolidated Ind AS financial statements of the Company as at March 31, 2018 had the subsidiaries including step down subsidiaries been audited.

Our opinion on the consolidated Ind AS financial statements and our report is not modified in respect of this matter.

3. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 for the year ended March 31, 2017 and March 31, 2016 on which the predecessor auditor expressed an unmodified opinion vide their audit report dated May 23, 2017 and May 30, 2016 respectively on those consolidated financial statements, as adjusted for the differences in the accounting principles adopted by the Holding Company on transition to Ind AS, which have been audited by us, and in case of financial statements of twenty four subsidiaries (including fifteen step down subsidiaries) and one Joint Venture included in these consolidated Ind AS financial statements have been either audited by other auditors or have been certified by the management. The Ind AS adjustments in respect of such entities have been included based on the audited accounts or management certified accounts, which have been relied upon by us..

Our opinion on the consolidated Ind AS financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors and financial statements/financial information as certified by the management.

Independent Auditor's Report on Consolidated Ind AS Financial Statements (Contd.)

Report on Other Legal and Regulatory Requirements

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

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements.
- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Holding Company, its subsidiaries included in the Group and Joint Venture, so far as it appears from our examination of the books and records of the Holding Company and the reports of the other auditors and information certified by the management.
- c) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss (including other comprehensive income), and the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiaries included in the Group and Joint Venture including relevant records for the purpose of preparation of the aforesaid consolidated Ind AS financial statements.
- d) In our opinion, the aforesaid consolidated Ind AS 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, 2018, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its Joint Venture, we report that none of the directors of the Group is disqualified as on March 31, 2018 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 Holding Company and its subsidiaries and its Joint Venture and the operating effectiveness of such controls, refer to our separate report in "Annexure A";
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on the financial statements / information of the subsidiaries and Joint Venture and financial statements / information certified by the Management in the case of some subsidiaries, as noted in the paragraph on 'Other Matters':
 - i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group— Refer Note No. 43 to the consolidated Ind AS financial statements;
 - ii) The Group did not have any material foreseeable losses on long term contracts including derivatives contracts.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Group.
 - iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2018.

For M L Bhuwania and Co. LLP

Chartered Accountants

Firm Registration Number: 101484W / W100197

Ashishkumar Bairagra

Partner

Membership No: 109931

Place: Mumbai

Date: May 29, 2018

Annexure A to the Auditor's Report

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

In conjunction with our audit of the consolidated Ind AS financial statements of DATAMATICS GLOBAL SERVICES LIMITED ("hereinafter referred to as "the Holding Company") as of and for the year ended March 31, 2018, we have audited the internal financial control over financial reporting of the Holding company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion and based on the opinion expressed in the report of other auditors, the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal controls over financial reporting criteria established by the Holding Company and its subsidiary companies incorporated in India, wherever applicable, and its Joint Venture considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M L Bhuwania and Co. LLP

Chartered Accountants

Firm Registration Number: 101484W / W100197

Ashishkumar Bairagra

Partner

Membership No: 109931

Place: Mumbai

Date: May 29, 2018

Consolidated Balance sheet

as at March 31, 2018

(₹ in Millions)				
Particulars	Note	March 31, 2018	March 31, 2017	April 01, 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	1,112.14	1,093.81	1,076.45
Capital work-in-progress	2	49.91	12.42	18.00
Goodwill	3	1,752.37	1,438.39	1,217.87
Other intangible assets	3	237.54	101.36	140.09
Financial assets				
i. Investments	4	115.34	284.64	324.17
ii. Loans	5	3.69	4.79	5.99
iii. Other financial assets	6	134.91	91.54	88.70
Deferred tax assets	31(c)	139.94	184.57	85.61
Non-current tax assets		92.89	1.57	50.95
Other non-current assets	7	67.96	56.86	66.38
Total non-current assets		3,706.69	3,269.95	3,074.21
Current assets				
Financial assets				
i. Investments	8	212.99	433.56	741.28
ii. Trade receivables	9	2,047.88	1,579.78	1,505.93
iii. Cash and cash equivalents	10	817.84	676.63	610.96
iv. Bank balances other than (iii) above	11	25.65	5.65	12.18
v. Loans	12	15.97	7.48	25.81
vi. Other financial assets	13	646.53	676.94	464.18
Other current assets	14	126.87	146.98	157.20
Total current assets		3,893.73	3,527.02	3,517.54
Total Assets		7,600.42	6,796.97	6,591.75
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15(a)	294.75	294.75	294.75
Other equity	15(b)	5,169.05	4,728.27	3,896.11
Equity attributable to owners of Datamatics Global Services Limited		5,463.80	5,023.02	4,190.86
Non-controlling interests		363.64	208.31	655.00
Total equity		5,827.44	5,231.33	4,845.86
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	16	-	81.47	434.65
ii. Other financial liabilities	17	2.35	0.64	0.34
Provisions	18	174.13	144.44	112.03
Total non-current liabilities		176.48	226.55	547.02
Current liabilities				
Financial liabilities				
i. Borrowings	19	657.95	204.34	304.75
ii. Trade payables	20	689.59	625.60	519.55
iii. Other financial liabilities	21	19.91	281.03	185.06
Provisions	22	37.88	23.57	38.72
Other current liabilities	23	191.17	204.55	150.79
Total current liabilities		1,596.50	1,339.09	1,198.87
Total liabilities		1,772.98	1,565.64	1,745.89
Total Equity and Liabilities		7,600.42	6,796.97	6,591.75

The accompanying notes forming an integral part of the financial statements

1 - 51

As per our attached report of even date

For M L BHUWANIA AND CO LLP

Chartered Accountants

Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia

DIN 00008050

Chairman

Ashishkumar Bairagra

Partner

Membership No. 109931

R. K. Saraswat

DIN 00015095

Director

Rahul L. Kanodia

DIN 00075801

Vice Chairman & CEO

Place : Mumbai

Date : May 29, 2018

Divya Kumat

EVP, Chief Legal Officer

& Company Secretary

Sandeep Mantri

Chief Financial Officer

Consolidated Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note	March 31, 2018	March 31, 2017
Continuing operations			
Revenue from operations	24	9,102.69	8,524.17
Other income	25	244.32	164.45
Total income		9,347.01	8,688.62
Expenses			
Operational expenses	26	96.10	93.08
Employee benefit expenses	27	5,668.85	5,078.45
Finance costs	28	40.30	47.72
Depreciation and amortisation expense	29	203.30	241.96
Other expenses	30	2,517.43	2,523.06
Total expenses		8,525.98	7,984.27
Profit before exceptional items, share of net profits of investments accounted for using the equity method and tax		821.03	704.35
Share of net profits of associates and joint ventures accounted for using the equity method		22.86	21.12
Profit before exceptional items and tax		843.89	725.47
Exceptional items		-	(32.88)
Profit before tax		843.89	692.59
Tax expense			
- Current tax	31(a)	113.20	160.61
- Deferred tax	31(a)	15.66	(107.64)
Total tax expense		128.86	52.97
Profit from continuing operations		715.03	639.62
Share of Minority Interest in Profit for the year		74.18	(12.22)
Profit for the year		640.85	651.84

Consolidated statement of other comprehensive income (OCI) for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note	March 31, 2018	March 31, 2017
Items that will be reclassified to profit or loss			
Cash flow Hedges		(59.37)	40.79
Foreign currency translation reserve movement		(169.60)	(98.33)
Tax relating to above		25.00	(14.12)
		(203.97)	(71.66)
Items that will not be reclassified to profit or loss			
Fair Value gain on FVOCI investments		(0.05)	2.68
Actuarial gains and losses		(9.57)	(10.65)
Tax relating to above		0.77	2.76
		(8.85)	(5.21)
OCI for the year		(212.82)	(76.87)
Total comprehensive income for the year		428.03	574.97
Earnings per equity share (face value ₹ 5 each)			
- Basic (in ₹)	38	10.87	11.06
- Diluted (in ₹)		10.87	11.01

The accompanying notes forming an integral part of the financial statements

1 - 51

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

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Ashishkumar Bairagra
Partner
Membership No. 109931

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Date : May 29, 2018

Divya Kumat
EVP, Chief Legal Officer
& Company Secretary

Sandeep Mantri
Chief Financial Officer

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Particulars	₹ in Millions
As at April 1, 2016	294.75
Changes in equity share capital	-
As at March 31, 2017	294.75
Changes in equity share capital	-
As at March 31, 2018	294.75

B. Other equity

Particulars	Reserves and surplus						Other comprehensive income			Total other equity	Attributable to non-controlling interests	Total
	Securities premium	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve		
As at April 1, 2016	1,080.08	1,893.43	-	584.88	35.60	244.28	-	-	57.84	-	655.00	4,551.11
Profit for the year	-	651.84	-	-	-	-	-	-	-	-	(213.53)	438.31
Other comprehensive income	-	-	-	-	-	-	2.68	(7.89)	26.67	(98.32)	-	(76.87)
Total comprehensive income for the year	-	651.84	-	-	-	-	2.68	(7.89)	26.67	(98.32)	(213.53)	361.44
- Addition during the year	-	-	-	-	-	250.00	-	-	-	-	-	250.00
- Stock options granted during the year	-	-	11.91	-	-	-	-	-	-	-	-	11.91
Change in Fair valuation of NCI	-	-	-	-	-	-	-	-	-	-	38.67	38.67
Common control transaction in subsidiary	-	-	-	-	(97.67)	-	-	-	-	-	-	(97.67)
Impact of Removal of subsidiaries	-	8.46	-	1.00	-	-	-	-	-	-	(14.81)	(5.35)
Redemption of Preference shares	-	101.22	-	-	-	-	-	-	-	-	(257.02)	(155.80)
Transactions with owners in their capacity as owners:	-	109.68	11.91	1.00	(97.67)	250.00	-	-	-	-	(233.16)	41.76
Dividends paid	-	(17.74)	-	-	-	-	-	-	-	-	-	(17.74)
As at March 31, 2017	1,080.08	2,637.21	11.91	585.88	(62.07)	494.28	2.68	(7.89)	84.51	(98.32)	208.31	4,936.57

(₹ in Millions)

Consolidated Statement of Changes in Equity

for the year ended March 31, 2018 (Contd.)

Particulars	Reserves and surplus						Other comprehensive income			Total other equity	Attributable to non-controlling interests	Total
	Securities premium	Retained earnings	ESOP reserve	General reserve	Capital reserve	Capital redemption reserve	Equity investments	Actuarial gains and losses	Cash flow hedging reserve	Foreign currency translation reserve		
Profit for the year	-	640.85	-	-	-	-	-	-	-	-	74.18	715.03
Other comprehensive income	-	-	-	-	-	-	(0.05)	(8.80)	(34.37)	(169.60)	-	(212.82)
Total comprehensive income for the year	-	640.85	-	-	-	-	(0.05)	(8.80)	(34.37)	(169.60)	74.18	502.21
Acquisition of Subsidiary	-	86.43	-	-	-	-	-	-	-	-	38.12	124.55
Additional shares issued in subsidiary	-	-	-	-	-	-	-	-	-	-	26.49	26.49
Foreign exchange impact on NCI	-	-	-	-	-	-	-	-	-	-	16.54	16.54
- Proposed Dividend on Equity shares	-	(44.21)	-	-	-	-	-	-	-	-	-	(44.21)
- Interim Dividend on Equity shares	-	(29.47)	-	-	-	-	-	-	-	-	-	(29.47)
As at March 31, 2018	1,080.08	3,290.81	11.91	585.88	(62.07)	494.28	2.63	(16.69)	50.14	(267.92)	363.64	5,532.68

(₹ in Millions)

For and on behalf of the Board

As per our attached report of even date

For **M L BHUWANIA AND CO LLP**

Chartered Accountants

Firm Registration No. 101484WW/100197

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Ashishkumar Bairagra
Partner
Membership No. 109931

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Divya Kumat
EVP, Chief Legal Officer
& Company Secretary

Sandeep Mantri
Chief Financial Officer

Place : Mumbai
Date : May 29, 2018

Consolidated Cash Flow Statement

for the year ended March 31, 2018

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
A. Cash flow from operating activities		
Profit before tax	843.89	692.59
Adjustments for :		
Depreciation and amortisation expense	203.30	241.96
Provision for doubtful debts, advances and investments	(21.02)	154.58
Liabilities / excess provision written back	(0.30)	(2.23)
Profit on sale fixed assets (net)	(0.94)	0.17
Finance cost	40.30	47.72
Employee stock option expenses	-	11.91
Unrealised gain on fair value of financial assets	(32.50)	(2.73)
Profit on sale of investments	(36.25)	(32.80)
Dividend income	(0.50)	(5.83)
Interest income	(8.41)	(13.85)
Operating profit before working capital changes	987.57	1,091.49
Adjustments for :		
Increase in trade receivables	(435.42)	(145.22)
(Increase) / Decrease in loans	(7.39)	19.53
Decrease / (Increase) in other financial and non-financial assets	116.64	(160.09)
Increase in trade payables	63.99	106.05
Increase in other financial and non-financial liabilities	29.60	61.57
Cash generated from operations	755.01	973.34
Direct taxes paid (net)	(204.52)	(111.23)
Net cash flow from operating activities (A)	550.49	862.11
B. Cash flow from investing activities		
Purchase of fixed assets / capital work-in-progress	(504.86)	(282.89)
Sale of fixed assets	77.55	11.27
Payment towards acquisition of subsidiary / non controlling interest	(391.00)	(330.00)
Sale of long-term investments	169.30	357.33
Purchase of preference shares	-	(317.80)
Sale of current investments	269.32	308.57
Dividend received	0.50	5.83
Interest received	8.26	14.58
Net cash flow used in investing activities (B)	(370.93)	(233.11)

Consolidated Cash Flow Statement

for the year ended March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
C. Cash flow from financing activities		
Repayment of long-term borrowings	(342.30)	(256.65)
Issue of shares to Non Controlling interest	(26.49)	
Redemption of preference shares	-	(150.00)
Proceeds / (Repayment) of short-term borrowings	453.61	(100.41)
Dividend paid	(73.68)	(17.74)
Interest paid	(49.49)	(38.53)
Net cash flow used in financing activities (C)	(38.35)	(563.33)
Net cash flow during the year (A+B+C)	141.21	65.67
Cash and cash equivalents at the beginning of the year	676.63	610.96
Net cash and cash equivalents at the end of the year	817.84	676.63

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

For and on behalf of the Board

Ashishkumar Bairagra
Partner
Membership No. 109931

R. K. Saraswat
DIN 00015095
Director

Divya Kumat
EVP, Chief Legal Officer
& Company Secretary

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Sandeep Mantri
Chief Financial Officer

Place : Mumbai
Date : May 29, 2018

Notes to the Consolidated Financial Statements

as at March 31, 2018

1. Significant accounting policies

a) Group Overview

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Group was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Group converted itself from a Private Limited Group into a Public Limited Group and the name of the Group was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Group was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Group is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

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

b) Significant Accounting Policies

i) Basis of Preparation of Financial Statements:

Compliance with Ind AS

The consolidated financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of

the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The consolidated financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

First-time adoption: In accordance with Ind AS 101 on First-time adoption of Indian Accounting Standards, the Company's first Ind AS financial statements include, three balance sheets viz. the opening balance sheet as at 1st April, 2016 and balance sheets as at 31st March, 2017 and 31st March, 2018 and two statements each of profit and loss, cash flows and changes in equity for the years ended 31st March, 2017 and 31st March, 2018 together with related notes. The same accounting policies have been used for all periods presented.

These consolidated financial statements are the first financial statements of the Group under Ind AS. Refer note 44 for an explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

ii) Basis of Consolidation:

a) Subsidiaries

These consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries. The subsidiaries considered in the consolidated financial statements as at March 31, 2018 and as at March 31, 2017 are summarized below:

Name of the Subsidiary	2017 - 18		2016 - 17	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Services Inc	USA	100.00	USA	100.00
Datamatics Global Services GmbH	-	-	Germany	100.00
Datamatics Infotech Limited	UK	100.00	UK	100.00
Datamatics Global Services Pty. Limited	Australia	100.00	Australia	100.00
Datamatics Global Technologies Limited	Mauritius	100.00	Mauritius	100.00

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Name of the Subsidiary	2017 - 18		2016 - 17	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Datamatics Global Technologies AG	Switzerland	100.00	Switzerland	100.00
Datamatics Global Technologies GmbH ^	Germany	100.00	Germany	100.00
Datamatics Global Services FZ LLC	U.A.E	100.00	U.A.E	100.00
Datamatics Global Services Corp	Philippines	100.00	Philippines	100.00
LD Publishing & eRetail Limited	India	100.00	India	100.00
Datamatics Digital Limited @	India	71.10	-	-
Techjini Inc @	USA	71.10	-	-
Datamatics Robotics Software Inc #	USA	100.00	-	-
Cignex Datamatics Corporation	BVI	59.11	BVI	59.11
Cignex Datamatics Inc	USA	59.11	USA	59.11
Cignex Datamatics Technologies Limited	India	59.11	India	59.11
Cignex Datamatics Pte. Limited	Singapore	59.11	Singapore	59.11
Cignex Datamatics GmbH	Germany	59.11	Germany	59.11
Cignex Datamatics UK Limited	UK	59.11	UK	59.11
Duo Consulting, Inc.	USA	39.01	USA	39.01
Attune Infocom Private Limited	India	30.15	India	30.15
Scalys Technologies Private Limited	India	30.15	India	30.15
Lumina Datamtics Limited	India	98.00	India	100.00
LDR eRetail Limited	India	98.00	-	-
Lumina Datamatics Inc	USA	98.00	USA	100.00
Lumina Datamatics GmbH	Germany	98.00	Germany	100.00
Lumina Datamatics Assessment and Analytics, LLC	USA	63.70	USA	65.00

^ Under liquidation

@ Acquired during the year

incorporated during the year

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

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

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

Consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except in case of charge of depreciation on fixed assets and other insignificant items for which the accounting treatment is given on the basis of local laws applicable in the respective country, for which using uniform accounting policies for the purpose of consolidation is impracticable.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

b) Joint ventures

Interests in joint ventures are accounted for using the Equity method, after initially being recognised at cost in the consolidated balance sheet.

Name of the Joint venture	2017 - 18		2016 - 17	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
Cybercom Datamatics Information Solutions Limited	India	50.50	India	50.50
LDR eRetail Limited	-	-	India	51.00
Elevondata Labs Private Limited	-	-	USA	26.60
Elevondata LLC	-	-	USA	26.60
Elevondata Labs Holding Inc	-	-	USA	26.60

Equity Method :

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity. Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

ii) Historical cost convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following:

- * certain financial assets and liabilities (including derivative instruments) which is measured at fair value;
- * defined benefit plans – plan assets measured at fair value

c) Use of Estimates

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

d) Foreign currency translation

i) Functional and presentation currency

The consolidated financial statements are presented in Indian rupee (INR), which is Group's functional and presentation currency.

ii) Transactions, balances and translation

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

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

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

The consolidated financial statements are reported in Indian rupees. The translation of the local currency of each foreign subsidiary within the Group into Indian rupees is performed in respect of assets and liabilities including fixed assets using the exchange rate in effect at the balance sheet date and for revenue and expense items, using a monthly simple average exchange rate for the period. Net exchange difference resulting from the above translation of financial statements of foreign subsidiaries is recognised in Foreign Exchange Fluctuation Reserve. Exchange difference arising on investment in subsidiaries is recognised in Foreign Exchange Fluctuation Reserve.

e) Revenue recognition

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

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

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

Cost and earnings in excess of billings are 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.

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

f) Income tax

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

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

In the situations where an entity in the Group is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the entity restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

g) Leases

As a lessee

Lease under which the Group 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.

h) Cash and cash equivalents

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

i) Cash Flow Statement

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

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k) Investments and other financial assets

i) Classification

The Group classifies its financial assets in the following measurement categories:

- * those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

- * those measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- * Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- * Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- * Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 29 details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when

- * The Group has transferred the rights to receive cash flows from the financial asset or
- * retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

l) Derivatives and hedging activities

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

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

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

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

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

m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

n) Property, Plant and Equipment

Property, Plant and Equipments are valued at cost, except for certain Property, Plant and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment 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. 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 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.

o) Intangible assets

i) Goodwill

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

Goodwill on consolidation of subsidiaries is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and noncompete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

iv) Other Intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

v) Amortisation methods and periods

The Group amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Goodwill	Nil
Patents, Trademarks, Copy-rights	3 - 5 years
Cutomer contracts	3 years
Computer Software	3 years
Other intangible assets	3 years

iv) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12

months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) Borrowing costs

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

s) Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent Assets are neither recognised nor disclosed.

t) Employee benefits

In case of Parent Group and its Indian Subsidiaries; (i) Defined Contribution Plan - Contribution to defined contribution plans are recognised as expense in the Statement of Profit and Loss, as they are incurred. (ii) Defined Benefit Plan - Companies' liability towards gratuity and leave

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

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

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

u) Contributed equity

Equity shares are classified as equity.

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

v) Earnings per share

In determining Earnings per Share, the Group considers the net profit attributable to company's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

w) Standards issued but not effective

On March 28, 2018 the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from contracts with customers and certain amendments to certain existing Ind AS. These amendments will be applicable to the Group from April 1, 2018.

i) Issue of Ind AS 115 - Revenue from contracts with customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction contracts and the related interpretations. Ind AS 115 provides a single model

of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligation.

ii) Amendments to existing issued Ind AS

Ind AS 21 - The effects of changes in foreign exchange rates

Ind AS 40 - Investment property

Ind AS 12 - Income taxes

Ind AS 28 - Investments in Associates and Joint Ventures

Ind AS 112 - Disclosure of interests in Other Entities

Application of above standards are not expected to have any significant impact on the Group's financial statements.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

2. Property, plant and equipment

(₹ in Millions)

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
Gross block										
As at April 1, 2016	302.85	270.30	174.72	86.00	73.13	62.06	95.42	11.97	1,076.45	18.00
Additions	-	-	3.19	8.22	34.55	79.75	31.15	4.48	(61.34)	4.74
Disposals	-	-	1.03	(1.13)	(6.69)	1.67	(2.07)	(0.92)	(8.11)	(10.32)
As at March 31, 2017	302.85	270.30	178.94	92.84	100.94	144.20	123.99	15.53	1,229.59	12.42
Additions	-	-	2.49	13.54	78.81	61.37	11.96	5.59	173.76	65.99
Disposals	-	-	-	(0.21)	(14.00)	(35.62)	(4.75)	(2.23)	(56.81)	(28.50)
Exchange differences	-	-	-	0.07	0.08	0.46	0.19	-	0.80	-
As at March 31, 2018	302.85	270.30	181.43	106.24	165.83	170.41	131.39	18.89	1,347.34	49.91

Particulars	Land	Leasehold Land	Buildings	Leasehold Improvements	Machinery and Equipment	Computer Equipment	Furniture and Fixtures	Vehicles	Total	Capital work-in-progress
Accumulated depreciation										
As at April 1, 2016	-	4.68	6.22	5.26	28.89	64.66	25.09	4.00	138.80	-
Depreciation charge during the year	-	-	0.34	(0.14)	(1.63)	(0.13)	(0.51)	(0.92)	(2.99)	-
Disposals	-	-	-	(0.56)	0.85	0.27	(0.59)	(0.01)	(0.03)	-
Exchange differences	-	4.68	6.56	4.56	28.11	64.80	24.00	3.07	135.78	-
As at March 31, 2017	-	4.68	5.73	6.39	20.73	41.85	20.38	3.87	103.63	-
Depreciation charge during the year	-	-	-	(0.11)	(1.60)	(0.59)	(0.70)	(1.96)	(4.96)	-
Disposals	-	-	-	0.05	0.10	0.42	0.18	-	0.75	-
Exchange differences	-	9.36	12.29	10.89	47.34	106.48	43.86	4.98	235.20	-
As at March 31, 2018	-	260.94	169.14	95.35	118.49	63.93	87.53	13.91	1,112.14	49.91
Net carrying amount as at March 31, 2018	302.85	265.62	172.38	88.28	72.83	79.40	99.99	12.46	1,093.81	12.42
Net carrying amount as at March 31, 2017	302.85	270.30	174.72	86.00	73.13	62.06	95.42	11.97	1,076.45	18.00

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

2.1: Deemed cost as at April 1, 2016 which is the net carrying amount on April 1, 2016 which is tabulated as follows:

(₹ in Millions)

Particulars	Gross carrying amount as at April 01, 2016	Reclassification as at April 01, 2016	Ind AS Adjustment as at April 01, 2016	Accumulated Depreciation as at April 01, 2016	Net carrying amount as at April 01, 2016
Land	607.40	(304.55)	-	-	302.85
Leasehold Land	-	304.55	(34.25)	-	270.30
Buildings	207.60	-	-	32.88	174.72
Plant and Equipment	263.27	-	(1.71)	188.43	73.13
Furniture and Fixtures	303.01	-	(2.44)	205.15	95.42
Vehicles	30.14	-	-	18.17	11.97
Computers	497.87	-	(1.09)	434.72	62.06
Leasehold Improvements	146.82	-	(39.52)	21.30	86.00
Total	2,056.11	-	(79.01)	900.65	1,076.45

3. Intangible assets

(₹ in Millions)

Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill
Gross block								
As at April 1, 2016	75.94	29.66	8.35	-	19.00	7.14	140.09	1,217.87
Additions	86.26	-	-	-	-	-	86.26	104.99
Disposals	(26.06)	-	-	-	-	-	(26.06)	(147.06)
Exchange differences	(1.67)	-	-	-	(2.83)	(1.05)	(5.55)	263.14
As at March 31, 2017	134.47	29.66	8.35	-	16.17	6.09	194.74	1,438.94
Additions	211.40	-	-	0.02	39.98	-	251.40	457.77
Disposals	(36.65)	-	-	-	-	-	(36.65)	(143.92)
Exchange differences	0.34	-	-	-	0.81	0.56	1.71	11.31
As at March 31, 2018	309.56	29.66	8.35	0.02	56.96	6.65	411.20	1,764.10

(₹ in Millions)

Particulars	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Customer Contracts	Other Intangible Assets	Total	Goodwill
Accumulated amortisation and impairment								
As at April 1, 2016								
Amortisation charge during the year	68.39	8.73	2.39	-	20.34	2.89	102.74	0.42
Disposals	(3.25)	-	-	-	-	-	(3.25)	-
Exchange differences	(1.39)	-	-	-	(4.17)	(0.55)	(6.11)	0.13
As at March 31, 2017	63.75	8.73	2.39	-	16.17	2.34	93.38	0.55
Amortisation charge during the year	68.63	-	1.87	-	9.99	1.35	88.54	11.13
Disposals	(9.60)	-	-	-	-	-	(9.60)	-
Exchange differences	0.40	-	-	-	0.81	0.13	1.34	0.05
As at March 31, 2018	123.18	15.43	4.26	-	26.97	3.82	173.66	11.73
Net carrying amount as at March 31, 2018	186.38	14.23	4.09	0.02	29.99	2.83	237.54	1,752.37
Net carrying amount as at March 31, 2017	70.72	20.93	5.96	-	-	3.75	101.36	1,438.39
Net carrying amount as at April 1, 2016	75.94	29.66	8.35	-	19.00	7.14	140.09	1,217.87

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

3.1: Deemed cost as at April 1, 2016 which is the net carrying amount on April 1, 2016 which is tabulated as follows:

(₹ in Millions)

Particulars	Gross carrying amount as at April 01, 2016	Ind AS Adjustment as at April 01, 2016	Accumulated Depreciation as at April 01, 2016	Net carrying amount as at April 01, 2016
Computer Softwares	442.13	(37.73)	328.46	75.94
Non-Compete Fees	36.00	-	6.34	29.66
Copy Rights	10.00	-	1.65	8.35
Customer Contracts	255.87	-	236.87	19.00
Other Intangible Assets	8.39	-	1.25	7.14
Total	752.39	(37.73)	574.57	140.09
Total	821.76	(11.69)	643.94	140.09

4. Non-current investments

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Investment in debentures			
Quoted (FVTPL)			
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 30 debentures of ECL Finance Limited - E6F401 - NCD	-	-	3.05
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 5,000 debentures of ₹ 1,000 each of India Info-line Investment Services Limited @ 11.70%	-	-	5.00
As at March 31, 2018: 100, as at March 31, 2017: 100 Units of ₹ 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	11.89	10.92	-
In Joint venture - Others- Unquoted (at amortised cost)			
As at March 31, 2018: 428,390, as at March 31, 2017: 428,390, as at April 1, 2016: 428,390 fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	67.27	97.06	77.83
As at March 31, 2018: Nil, as at March 31, 2017: 32,073, as at April 1, 2016: Nil fully paid ordinary shares of Elevondata Inc	-	37.06	-
Investment in equity instruments (fully paid-up)			
Unquoted (at amortised cost)			
Mypet Harmony LLC	-	2.84	-
Investment in preference shares			
Unquoted (at FVTPL)			
In subsidiaries - Wholly Owned			

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Investment in preference shares of LDR eRetail Limited	-	37.25	12.19
Investment in preference shares			
Unquoted (FVTPL)			
As at March 31, 2018: 1,500,000, as at March 31, 2017: 1,500,000 8% Compulsorily Convertible Redeemable Non-Cumulative Non- Participating Preference Shares of HandyTraining Technologies Private Ltd of ₹ 10 each	15.00	10.50	-
LD Publishing & eRetail Limited	-	-	0.50
Investment in equity instruments (fully paid-up)			
Quoted (FVOCI)			
As at March 31, 2018: 13,676, as at March 31, 2017: 6,838, as at April 1, 2016: 6,838 fully paid Equity Shares of ₹ 2 each of Wipro Limited	3.85	3.53	3.85
As at March 31, 2018: 5,000, as at March 31, 2017: 5,000, as at April 1, 2016: 5,000 fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.06	0.05	0.03
As at March 31, 2018: 800, as at March 31, 2017: 400, as at April 1, 2016: 400 fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.59	0.51	0.48
As at March 31, 2018: 8,998, as at March 31, 2017: 8,998, as at April 1, 2016: 8,998 fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.56	2.63	2.63
As at March 31, 2018: 38,767, as at March 31, 2017: 38,767, as at April 1, 2016: 38,767 fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	7.51	7.64	5.39
As at March 31, 2018: 5,000, as at March 31, 2017: 5,000, as at April 1, 2016: 5,000 fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	2.55	2.45	2.22
As at March 31, 2018: 1,200, as at March 31, 2017: 1,200, as at April 1, 2016: 1,200 fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	2.36	1.89	1.46
As at March 31, 2018: 900, as at March 31, 2017: 900, as at April 1, 2016: 900 fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.05	0.07	0.03
As at March 31, 2018: 35,200, as at March 31, 2017: 35,200, as at April 1, 2016: 35,200 fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.73	6.47	6.47
As at March 31, 2018: 56, as at March 31, 2017: 56, as at April 1, 2016: 56 fully paid Equity Share of Dana Holding Corporation	0.92	0.41	0.39
Investment in mutual funds			
Quoted (FVTPL)			

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of Birla Sun Life Fixed Term Plan - Series GI - Growth (Face Value of ₹ 10 each)	-	-	13.08
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of Reliance FHF XXIV Series 3 - Growth (Face Value of ₹ 10 each)	-	-	12.71
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of TATA Fixed Maturity Plan Series - 43 Scheme A - Growth (Face Value of ₹ 10 each)	-	-	12.70
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of ICICI Prudential Fixed Maturity Plan - Series 69 - 366 days Plan A (Face Value of ₹ 10 each)	-	-	12.72
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 2,500,000 Units of Reliance FHF XXIV Series 11 - Growth (Face Value of ₹10 each)	-	-	31.74
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 2,500,000 units of Birla Sun Life Interval Income fund - Annual Plan-X-Growth (Face Value of ₹10 each)	-	-	31.49
As at March 31, 2018: Nil, as at March 31, 2017: 2,322,330, as at April 1, 2016: 2,322,330 Units of HDFC Short Term opportunities fund - Growth (Face Value of ₹ 10 each)	-	38.36	38.36
As at March 31, 2018: Nil, as at March 31, 2017: 2,000,000, as at April 1, 2016: 2,000,000 Units of ICICI Prudential FMP Series73 - Plan E Growth (Face Value of ₹ 10 each)	-	24.33	24.33
As at March 31, 2018: Nil, as at March 31, 2017: 1,018,717, as at April 1, 2016: 1,018,717 Units of IIFL Income opportunities fund - AIF - Growth (Face Value of ₹ 0.8916 each)	-	0.67	1.68
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 58,813 Units of HDFC Prudence Fund - Growth (Face Value of ₹ 10 each)	-	-	12.06
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 893,974 Units of Birla Sun Life India Reforms Fund Growth (Face Value of ₹ 10 each)	-	-	11.78
Total	115.34	284.64	324.17
Aggregate amount of quoted investments	33.07	99.93	233.65
Aggregate amount of unquoted investments	82.27	184.71	90.52

5. Non-current loans

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
(Unsecured, considered Good, unless specified otherwise)			
Loan to Employees	3.69	4.79	5.99
Total	3.69	4.79	5.99

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

6. Other non-current financial assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Security deposits	93.85	84.70	75.93
Fair value of outstanding forward contracts (FVOCI)	41.06	6.84	12.77
Total	134.91	91.54	88.70

7. Other non-current assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Capital advances	-	3.21	-
Prepaid expenses	2.83	10.57	0.32
Balance with govt authorities	64.51	41.01	66.06
Other assets	0.62	2.07	-
Total	67.96	56.86	66.38

8. Current investments

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Investment in mutual funds			
Quoted (at FVTPL)			
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,950,054 Units of Templeton India Ultra Short Bond Fund - Super - IP -Growth (Face Value of ₹ 10 each)	-	-	39.64
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 122,737 Units of Birla Sunlife Saving fund - Growth (Face Value of ₹ 100 each)	-	-	35.94
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 393,749 Units of HDFC Floating Rate Income Fund - STF - WP - Growth (Face Value of ₹ 10 each)	-	-	10.25
As at March 31, 2018: Nil, as at March 31, 2017: 8,730, as at April 1, 2016: 8,730 Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each)	-	26.60	26.60
As at March 31, 2018: Nil, as at March 31, 2017: 660,925, as at April 1, 2016: 660,925 Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each)	-	15.21	13.80
As at March 31, 2018: Nil, as at March 31, 2017: 986,236, as at April 1, 2016: 986,236 Units of ICICI Prudential Short Term Regular Plan - Growth (Face Value of ₹ 10 each)	-	33.68	30.53
As at March 31, 2018: 465,210, as at March 31, 2017: 947,720, as at April 1, 2016: 418,520 units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	30.69	39.91	22.87
As at March 31, 2018: 175,039, as at March 31, 2017: Nil, as at April 1, 2016: 342,037 Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	44.88	-	76.57
As at March 31, 2018: Nil, as at March 31, 2017: 490,259, as at April 1, 2016: 490,259 Units of HDFC Corporate Debt Opportunities Fund -Reg Growth (Face Value of ₹ 10 each)	-	6.65	6.02

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
As at March 31, 2018: 280,636, as at March 31, 2017: 1,565,527, as at April 1, 2016: 1,732,799 Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	9.75	53.35	42.97
As at March 31, 2018: Nil, as at March 31, 2017: 35,689 units of UTI Treasury Advantage Fund - IP - Growth (Face Value of ₹ 1,000 each)	-	80.07	-
As at March 31, 2018: 1,960,938, as at March 31, 2017: 2,166,507 units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	39.17	40.00	-
As at March 31, 2018: 375,340, as at March 31, 2017: 742,026 Units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	4.46	4.00	-
As at March 31, 2018: 133,518, as at March 31, 2017: 133,518 units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.48	4.00	-
As at March 31, 2018: 19,140, as at March 31, 2017: 18,433, as at April 1, 2016: 1,363 Units of Reliance Liquid fund - TP - Growth (Face Value of ₹ 1,000 each)	79.56	76.09	135.17
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,291,273 Units of Reliance Medium Term Fund - Direct Plan Growth Plan - Growth (Face Value of ₹ 10 each)	-	-	20.49
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 107,636 Units of ICICI Prudential Flexible Income - Regular Plan - Growth (Face Value of ₹ 100 each)	-	-	30.81
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 5,240,220 Units of ICICI Prudential Short Term Plan - Reg - FDR (Face Value of ₹ 10 each)	-	-	63.65
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 26,621 Units of Birla Sun Life Saving fund - Growth (Face Value of ₹ 100 each)	-	-	66.04
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 6,249,137 Units of Axis Short Term Fund - WDR (Face Value of ₹ 10 each)	-	-	63.59
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 3,896 Units of Taurus Short Term Income Fund - Direct Plan - Growth (Face Value of ₹ 1,000 each)	-	-	10.45
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 2,710 Units of Axis liquid Fund - DDR (Face Value of ₹ 1,000 each)	-	-	2.71
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 878,012 Units of HDFC Floating Rate Income Fund - STF- WP - DDR (Face Value of ₹ 10 each)	-	-	8.85
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 40,554 Units of Birla Cash plus fund - DDR (Face Value of ₹ 100 each)	-	-	4.06
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 3,000,000 Units of ICICI Prudential FMP Series 78 - 95 Days Plan M (Face Value of ₹ 10 each)	-	-	30.27

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Advance towards Investments in Liquid Mutual Funds			
ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	-	54.00	-
Total	212.99	433.56	741.28
Aggregate amount of quoted investments	212.99	433.56	741.28
Aggregate amount of unquoted investments	-	-	-

9. Trade receivables

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unsecured (Refer Note No. 39)			
Considered Good	2,047.88	1,579.78	1,505.93
Considered doubtful	272.97	306.04	332.96
	2,320.85	1,885.82	1,838.89
Less :- Allowance for expected credit loss	272.97	306.04	332.96
Total	2,047.88	1,579.78	1,505.93

10. Cash and cash equivalents

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Bank balances	814.62	671.68	609.03
Cash on hand	2.72	4.45	1.74
Cheques in Transit	0.50	0.50	0.19
Total	817.84	676.63	610.96

11. Other bank balances

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Bank deposits *	23.78	4.23	4.05
Unpaid dividend account**	1.87	1.42	8.13
Total	25.65	5.65	12.18

* Of the above ₹ 5.58 million (as at March 31, 2017: ₹ 3.12 million, as at April 1, 2016 : ₹ 4.61 million) are marked as lien for guarantees issued by banks on behalf of the Group.

** The company can utilise balances only towards settlement of the unpaid dividend.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

12. Current loans

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
(Unsecured, considered Good, unless specified otherwise)			
Loan to employees	15.97	0.48	25.81
Other loans and advances			
- Considered good	-	7.00	-
- Considered doubtful	-	-	7.00
- Less: Provision for bad and doubtful advances	-	-	(7.00)
Total	15.97	7.48	25.81

13. Other current financial assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Security deposits	0.17	5.91	11.09
Interest accrued	0.22	0.07	0.80
Advances to related parties and others	68.57	47.02	21.65
Fair Value of Outstanding Forward Contracts (FVOCI)	-	120.59	49.99
Unbilled Revenue	577.57	503.35	380.65
Total	646.53	676.94	464.18

14. Other current assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Other advances	5.36	0.42	10.56
Prepaid expenses	114.33	118.18	140.77
Balance with govt authorities	-	6.89	1.93
Advance to vendors	5.23	18.41	0.60
Other assets	1.95	3.08	3.34
Total	126.87	146.98	157.20

15. Share capital and other equity

15.(a) Equity share capital

(i) Authorised equity share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at April 01, 2016	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2017	104,000,000	520.00
Increase during the year	-	-
As at March 31, 2018	104,000,000	520.00

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(ii) Authorised redeemable preference share capital of face value of ₹ 10 each

Particulars	Number of shares	₹ in Millions
As at April 01, 2016	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2017	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2018	45,550,000	455.50

(iii) Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at April 1, 2016	58,949,337	294.75
As at March 31, 2017	58,949,337	294.75
As at March 31, 2018	58,949,337	294.75

(iv) Movements in equity share capital

Particulars	Number of shares	₹ in Millions
As at April 1, 2016	58,949,337	294.75
As at March 31, 2017	58,949,337	294.75
As at March 31, 2018	58,949,337	294.75

(v) Shares of the company held by holding company

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
31,813,742 (31,813,742) Equity shares of ₹ 5 held by Delta Infosolutions Private Limited	159.07	159.07	159.07

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

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,530,995	5.99%	3,530,995	5.99%	3,530,995	5.99%
Asha Lalit Kanodia	3,605,258	6.12%	3,605,258	6.12%	3,605,258	6.12%

(vii) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 29, 2018 proposed a 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 August 14, 2018. The total dividend declared for the year ended March 31, 2018 amounted to ₹ 44.21 million and corporate dividend tax of ₹ 9.05 million.

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

15.(b) Other Equity

(₹ in Millions)

Particulars		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Securities premium	Refer Note (i) below	1,080.08	1,080.08	1,080.08
Retained earnings		3,290.81	2,637.21	1,893.43
General reserve	Refer Note (ii) below	585.88	585.88	584.88
ESOP reserve	Refer Note (iii) below	11.91	11.91	-
Capital reserve	Refer Note (iv) below	(62.07)	(62.07)	35.60
Capital redemption reserve	Refer Note (v) below	494.28	494.28	244.28
OCI -				
Equity investments	Refer Note (vi) below	2.63	2.68	-
Actuarial gains and losses		(16.69)	(7.89)	-
Cash flow hedging reserve	Refer Note (vii) below	50.14	84.51	57.84
Foreign currency translation reserve	Refer Note (viii) below	(267.92)	(98.32)	-
Total		5,169.05	4,728.27	3,896.11

Nature of reserves

(i) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

(ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(iii) ESOP Reserve

ESOP reserve is created for issue of share capital under RSU plan.

(iv) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company. Also Goodwill on common control transaction is adjusted against capital reserve.

(v) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(vi) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

(vii) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(viii) OCI - Foreign currency translation reserve

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian rupees is recognised in other comprehensive income, net of taxes and is presented within equity in the foreign currency translation reserve.

16. Non-current borrowings

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Term Loans			
From Bank *	-	81.47	334.65
From Directors**	-	-	100.00
Total	-	81.47	434.65

* 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 starting from January 2015 upto July 2018. Rate of Interest: Libor plus 3.00%

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

17. Other non-current financial liabilities

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Creditor for capital expenditure	0.55	0.64	0.34
Fair Value of Outstanding Forward Contracts (FVOCI)	1.80	-	-
Total	2.35	0.64	0.34

18. Non-current provisions

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unfunded (Refer Note No. 45)			
Gratuity	114.41	86.33	76.83
Leave Encashment	59.72	58.11	35.20
Total	174.13	144.44	112.03

19. Current borrowings

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Working capital loan			
From Banks	657.95	204.34	304.75
Total	657.95	204.34	304.75

Working capital loans from Standard Chartered Bank, ICICI Bank, Silicon Valley Bank USA and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipment of the Group, both, past and present.

Term loan from Citicorp Finance (India) Limited (Bank) is secured by way of creation of mortgage and exclusive charge in favour of 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.

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the bank hence considered as current borrowings.

20. Trade payables

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Dues of Micro and small enterprises (Refer Note No. 49)	-	-	-
Dues other than Micro and small enterprises	689.59	625.60	519.55
Total	689.59	625.60	519.55

21. Other current financial liabilities

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Accrued interest	-	9.19	-
Current Maturities of Long Term Borrowings	-	260.83	164.30
Unpaid dividend	1.87	1.45	20.76
Other payables	18.04	9.56	-
Total	19.91	281.03	185.06

22. Current provisions

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Unfunded (Refer Note No. 45)			
Provisions for employee benefits			
Gratuity	11.64	7.34	9.44
Leave Encashment	26.24	16.23	29.28
Total	37.88	23.57	38.72

23. Other current liabilities

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Statutory dues	111.21	73.74	79.96
Unearned revenue	79.96	118.54	65.13
Advance received from customers	-	12.27	5.70
Total	191.17	204.55	150.79

24. Revenue from operations

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Export sales	6,863.54	7,547.59
Sales -domestic	2,239.15	976.58
Total	9,102.69	8,524.17

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

25. Other income

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Interest received	8.41	13.85
Dividend received	0.50	5.83
Profit on sale of investments	36.25	32.80
Guarantee fees received	1.00	1.00
Profit on sale of assets	0.94	-
Unrealised gain on fair value of financial assets	32.50	2.73
Exchange gain	148.10	100.89
Miscellaneous receipts	16.62	7.35
Total	244.32	164.45

26. Operational expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Purchase of IT Products and Licenses	96.10	93.08
Total	96.10	93.08

27. Employee benefit expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Salary, Wages & Allowances	5,303.64	4,688.04
Contribution towards PF & Other funds (Refer Note No. 45)	215.23	226.66
Staff Welfare	149.98	163.75
Total	5,668.85	5,078.45

28. Finance costs

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Interest on loan from banks	27.95	26.98
Interest on loan others	7.77	15.04
Other financial Charges	4.58	5.70
Total	40.30	47.72

29. Depreciation and amortisation expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Depreciation on property plant and equipment	103.63	138.80
Amortisation on intangible assets	99.67	103.16
Total	203.30	241.96

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

30. Other expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
IT Infrastructure & Development Cost	21.54	67.97
Technical fees	852.41	849.60
Outsourcing cost	194.57	143.66
Travelling expenses	385.48	392.68
Recruitment charges	63.25	34.06
Rent	194.58	199.82
Electricity expenses	103.71	103.89
Communication charges	85.47	76.97
Rates & Taxes	21.46	27.68
Water charges	2.04	1.59
Legal & Professional expenses	167.73	148.96
Audit fees	14.67	10.65
Link Charges	41.66	34.81
Insurance	26.89	30.92
Vehicle expenses	7.28	5.22
Repairs & Maintenance expenses	139.31	99.16
Hire charge	36.71	31.46
Printing & Stationery	30.53	30.02
Subscription expenses	20.01	16.21
Bank charges	9.41	9.08
Board Sitting Fees	0.92	0.70
Advertisement expenses	19.86	0.07
Sales promotion	50.42	36.86
Sales commission	9.75	9.32
Security charges	22.01	19.57
Loss on sale of assets	-	0.17
Provision / (Reversal) for doubtful debts and advances	(32.68)	71.37
Bad debts	11.66	50.33
CSR Expenses	1.48	2.03
Miscellaneous expenses	15.30	18.23
Total	2,517.43	2,523.06

31. Taxation

31.(a) Income tax expense

(₹ in Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on profits for the year	115.38	163.93
Adjustments for current tax of prior periods	(2.18)	(3.32)
Total current tax expense	113.20	160.61
Deferred tax		
Decrease/(increase) in deferred tax assets	15.66	(107.64)
Total deferred tax expense/(benefit)	15.66	(107.64)
Income tax expense	128.86	52.97

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

31.(b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year	843.89	692.59
Statutory tax rate applicable to Datamatics Global Services Limited		
Tax expense at applicable tax rate	269.99	108.98
Effects of:		
Items not deductible for tax	(17.38)	(22.52)
Exempt income	(33.31)	(21.49)
(Gain)/Loss in respect of which deferred tax (liability)/asset not recognized	(43.63)	(4.20)
Recognition of unutilized tax benefits / Unrecognized losses utilized	(8.25)	-
Taxable due to change in tax base	(7.46)	3.13
Basis difference that will reverse during tax holiday period	(0.04)	(2.29)
Undistributed Earnings	(19.87)	-
Income taxed at higher/ (lower) rates	5.14	6.30
Change in tax rate and law	(21.17)	0.83
Adjustments for current tax of prior periods	(2.18)	(3.22)
Others, net	7.02	(12.55)
Income tax expense	128.86	52.97

31.(c) Deferred tax assets

The balance comprises temporary differences attributable to:

(₹ in Millions)

Particulars	April 1, 2016	Movement	March 31, 2017	Movement	March 31, 2018
Deferred Tax Assets					
Employee Benefits	45.84	13.53	59.36	13.08	72.45
Provision for doubtful debts	103.67	3.70	107.37	(41.66)	65.71
Investment In Subsidiaries	0.21	69.37	69.58	(72.68)	(3.10)
MAT Credit	105.77	1.38	107.15	(18.84)	88.30
Net Operating Losses	35.65	-	35.65	(25.62)	10.02
Others	18.50	2.30	20.79	(4.64)	16.16
Total Deferred Tax Assets	309.63	90.27	399.91	(150.35)	249.55
Deferred Tax Liabilities					
Depreciation	38.05	(18.08)	19.97	(3.21)	16.76
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	11.52	1.60	13.12	(10.69)	2.43
Cash Flow Hedging	-	7.12	7.12	13.29	20.42
Undistributed Earnings	93.49	3.88	97.37	(27.82)	69.55
Deferred Revenue	40.34	-	40.34	(40.34)	-
Valuation Allowance	39.75	(2.03)	37.72	(37.72)	-
Others	0.87	(1.17)	(0.30)	0.76	0.46
Total Deferred Tax Liabilities	224.02	(8.68)	215.34	(105.72)	109.61
Net Deferred Tax	85.61	98.96	184.57	(44.63)	139.94

Note:

The tax movement above includes the changes due to recognition to statement of profit and loss, other comprehensive income, MAT credit creation/ utilisation, acquisition during the period and foreign currency translation.

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

32. Fair value measurements

Financial instruments by category

(₹ in Millions)

	March 31, 2018			March 31, 2017			April 1, 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments									
- Mutual funds	212.99	-	-	496.92	-	-	943.93	-	-
- Debentures	11.89	-	-	10.92	-	-	8.05	-	-
- Equity instruments	-	21.18	67.27	2.84	25.65	134.12	-	22.95	77.83
- Preference shares	15.00	-	-	47.75	-	-	12.69	-	-
Trade receivables	-	-	2,047.88	-	-	1,579.78	-	-	1,505.93
Cash and cash equivalents	-	-	843.49	-	-	682.28	-	-	623.14
Security deposit	-	-	94.02	-	-	90.61	-	-	87.02
Fair value of outstanding forward contracts	-	41.06	-	-	127.43	-	-	62.76	-
Loan to Employees	-	-	19.66	-	-	5.27	-	-	31.80
Unbilled Revenue	-	-	577.57	-	-	503.35	-	-	380.65
Other receivables	-	-	68.79	-	-	54.09	-	-	22.45
Total financial assets	239.88	62.24	3,718.68	558.43	153.08	3,049.50	964.67	85.71	2,728.82
Financial liabilities									
Borrowings	-	-	657.95	-	-	546.64	-	-	903.70
Trade payables	-	-	689.59	-	-	625.60	-	-	519.55
Creditor for capital expenditure	-	-	0.55	-	-	0.64	-	-	0.34
Fair Value of Outstanding Forward Contracts	-	1.80	-	-	-	-	-	-	-
Other payables	-	-	19.91	-	-	20.20	-	-	20.76
Total financial liabilities	-	1.80	1,368.00	-	-	1,193.08	-	-	1,444.35

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	212.99	-	-	212.99
Debentures	11.89	-	-	11.89
Financial Investments at FVOCI				
Equity instruments	21.18	-	-	21.18
Preference shares	-	-	15.00	15.00
Outstanding forward contracts	41.06	-	-	41.06
Total financial assets	287.12	-	15.00	302.12
Financial liabilities				
Outstanding Forward Contracts	1.80	-	-	1.80
Total financial liabilities	1.80	-	-	1.80

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Assets and liabilities which are measured at amortised cost At March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instruments	-	-	67.27	67.27
Total financial assets	-	-	67.27	67.27

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	496.92	-	-	496.92
Debentures	10.92	-	-	10.92
Equity instruments	-	-	2.84	2.84
Preference shares	-	-	47.75	47.75
Financial Investments at FVOCI				
Equity instruments	25.65	-	-	25.65
Outstanding forward contracts	127.43	-	-	127.43
Total financial assets	660.92	-	50.59	711.51

(₹ in Millions)

Assets and liabilities which are measured at amortised cost At March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instruments	-	-	134.12	134.12
Total financial assets	-	-	134.12	134.12

(₹ in Millions)

Financial assets and liabilities measured at fair value At April 1, 2016	Level 1	Level 2	Level 3	Total
Mutual funds	943.93	-	-	943.93
Debentures	8.05	-	-	8.05
Preference shares	-	-	12.69	12.69
Financial Investments at FVOCI				
Equity instruments	22.95	-	-	22.95
Outstanding forward contracts	62.76	-	-	62.76
Total financial assets	1,037.69	-	12.69	1,050.38

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

(₹ in Millions)

Assets and liabilities which are measured at amortised cost At April 1, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instruments	-	-	77.83	77.83
Total financial assets	-	-	77.83	77.83

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

All of the resulting fair value estimates are included in level 2 except for unlisted equity securities and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

33. Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the Group manages the risk and the impact of hedge accounting in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

Credit risk management

The Group's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Group estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Group. The Group has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying value of such trade receivables as shown in note 9 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	(₹ in Millions) Amount
Loss allowance on April 1, 2016	332.96
Changes in loss allowance	(26.92)
Loss allowance on March 31, 2017	306.04
Changes in loss allowance	(33.07)
Loss allowance on March 31, 2018	272.97

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

The Group has a policy of providing for expected credit loss of trade receivable outstanding above 1 year.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

C) Market risk

i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's risk management policy is to hedge around 50% to 70% of forecasted receivables for the subsequent 18 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge around 50% to 70% of the forecasted receivables.

a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2018 and March 31, 2017 are given below :

Particulars	Currency	March 31, 2018		March 31, 2017		April 1, 2016	
		Foreign Currency	₹ in Millions	Foreign Currency	₹ in Millions	Foreign Currency	₹ in Millions
Receivables	USD	9.80	638.99	7.83	507.73	5.11	338.71
	GBP	1.54	128.54	0.74	57.18	1.03	95.28
	EUR	0.99	80.22	1.53	110.26	0.94	73.99
	CHF	0.51	34.85	0.18	11.79	0.15	10.83
	AUD	0.47	23.66	0.23	11.53	0.23	7.04
	AED	0.08	1.35	0.08	1.34	0.12	2.22
	CAD	0.05	2.71	0.06	3.09	0.11	5.70
	SEK	0.14	1.10	0.30	2.20	-	-
	ZAR	-	-	-	-	0.10	0.42
	Other	-	-	-	-	-	-
Payables	USD	0.23	15.04	0.77	49.89	1.30	86.42
	EUR	0.01	0.98	0.05	3.28	0.04	2.87
	CHF	0.02	1.68	-	-	0.03	2.26
	GBP	0.05	4.49	-	-	-	-
	AED	-	0.05	-	-	-	-
Loans	USD	1.74	113.60	6.64	430.49	7.99	529.50

b) Sensitivity

The Group is mainly exposed to changes in USD, GBP, CHF, AED and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AED and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, Euro, CHF and AUD with respect to functional currency of the Group will have impact of following (decrease)/increase in Profit & vice versa.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
USD	25.53	(1.37)	13.63
GBP	6.20	3.39	4.97
EUR	3.96	4.82	3.35
CHF	1.66	0.58	0.42
AUD	1.16	0.58	0.33

* Holding all other variables constant

ii) Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. Group policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2018 and 31 March 2017, the Group's borrowings at variable rate were mainly denominated in INR and USD.

The group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a) Interest rate risk exposure

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Millions)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Variable rate borrowings	307.95	446.64	803.70
Fixed rate borrowings	350.00	100.00	100.00
Total borrowings	657.95	546.64	903.70

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

	March 31, 2018			March 31, 2017			April 1, 2016		
	Weighted average interest rate %	Balance	% of total loans	Weighted average interest rate %	Balance	% of total loans	Weighted average interest rate %	Balance	% of total loans
ECB and PCFC Loans	4.07%	113.93	17%	3.01%	394.16	72%	3.62%	498.95	55%
Demand Loan	4.20%	62.41	9%	3.54%	3.09	1%	5.00%	172.25	19%

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates – increase by 70 basis points (70 bps) *	(0.97)	(3.27)
Interest rates – decrease by 70 basis points (70 bps) *	0.97	3.27

* Holding all other variables constant

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

iii) Price risk

a) Exposure

The group's exposure to equity securities price risk arises from investments held by the group and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the group.

The majority of the group's equity investments are publicly traded.

34. Capital management

a) Risk management

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowings include current maturities of non current borrowings.

(₹ in Millions)

	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	657.95	546.64	903.70
Total equity	5,827.44	5,231.33	4,845.86
Borrowings to equity ratio	0.11	0.10	0.19

b) Dividends

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(i) Equity shares		
Final dividend for the year ended March 31, 2017 of ₹ 0.75 (31 March 2016 – Nil) per fully paid share	44.21	-
Interim dividend for the year ended March 31, 2018 of ₹ 0.50 (March 31, 2017 – Nil) per fully paid share	29.47	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.25 per fully paid equity share (March 31, 2017 – ₹ 0.75). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	14.74	44.21

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

35. Segment information

Description of segments and principal activities

Operating segments are components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is Vice Chairman and CEO. The Group organised itself into two business units, which form the operating segments for segment reporting.

The operating segments are :

- IT Services
- Business Process Management (BPM)

(₹ in Millions)

Particulars	March 31, 2018			March 31, 2017		
	IT	BPM	Total	IT	BPM	Total
Revenue	4,962.09	4,140.60	9,102.69	4,522.61	4,001.56	8,524.17
Identifiable expenses	4,538.26	3,744.12	8,282.38	4,196.19	3,498.39	7,694.58
Segment results	423.83	396.48	820.31	326.42	503.16	829.58
unallocable expenses			243.60			289.68
Other income			244.32			164.45
Profit before taxes			843.89			692.59
Tax expenses			128.86			52.97
Profit after tax			715.03			639.62

Segment Assets and Liabilities

The assets and liabilities used in the Group's business are not identified with any of the operating segments, as these are used interchangeably between the reportable segments. The management of the Group believes that it is currently not practicable to provide segment disclosures relating to total assets and total liabilities.

Geographic Segment

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

(₹ in Millions)

Geographic Location	March 31, 2018	March 31, 2017
USA	5,571.80	5,567.65
Europe	1,595.34	1,437.16
Rest of World	1,935.55	1,519.36
Total	9,102.69	8,524.17

36. Business combinations

Summary of acquisition

On 1 July 2017 the parent entity acquired 71.1% of the issued share capital of Datamatics Digital Limited (earlier known as Techjini Solutions Private Limited), service provider of mobile solutions.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Particulars	(₹ in Millions)	
	DDL	LDRL
	Amount	Amount
Cash paid	391.00	0.35
Purchase consideration	391.00	0.35

Contingent consideration for acquiring balance shares in DDL recognised in standalone financial statements amounting to ₹ 159 million.

The assets and liabilities recognised as a result of the acquisition are as follows:

Particulars	(₹ in Millions)	
	DDL	LDRL
	Amount	Amount
Property, plant & equipments	4.25	0.73
Customer Contracts	39.98	-
Computer software	1.40	-
Security deposits	4.46	-
Deferred tax asset	4.77	-
Trade receivables	61.89	18.71
Cash & Bank Balances	58.34	1.43
Liquid Investments	-	0.25
Advance tax payment (net of provision)	13.50	2.49
Loans & advances	2.84	0.06
Unbilled revenue	1.15	-
Employee benefits provision	(13.61)	-
Trade payables	(14.60)	(2.48)
Salary Payable	(28.96)	(0.99)
Statutory liabilities	(3.10)	(1.28)
Unearned Revenue	(0.40)	-
Net identifiable assets acquired	131.91	18.92

Group has acquired all assets and liabilities at fair value except Property, plant & equipment and computer software.

Calculation of goodwill

Particulars	(₹ in Millions)	
	DDL	LDRL
	Amount	Amount
Consideration transferred	391.00	0.35
Non-controlling interest in the acquired entity	38.12	-
Joint Venture Interest	-	10.20
Value of investment in Preference Shares	-	26.91
Less: Net identifiable assets acquired	131.91	18.93
Goodwill	297.21	18.53

Acquisition related costs

Acquisition related costs that were not directly attributable to the issue of shares are included in other expenses in profit or loss and in operating cash flows in the statement of cash flows.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

37. Interests in joint venture

a) Interests in joint venture

Set out below is the joint venture of the Company as at 31 March 2018 which, in the opinion of the directors, are material to the Company. The entity listed below have share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business, and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ in Millions)

Name of entity	Place of business	% of ownership interest	Relationship	Accounting method	Carrying amount		
					March 31, 2018	March 31, 2017	April 1, 2016
Cybercom Datamatics Information Solutions Limited	India	50.50%	Joint venture	Equity	67.27	97.06	77.83

b) Summarised financial information for joint venture

(₹ in Millions)

Summarised balance sheet	March 31, 2018	March 31, 2017	April 1, 2016
Current assets			
Cash and cash equivalents	2.97	10.55	3.93
Other assets	92.63	105.12	90.39
Total current assets	95.61	115.68	94.33
Property, Plant & equipment	40.88	42.37	43.85
Other assets	8.13	40.80	34.66
Total non-current assets	49.01	83.17	78.52
Current liabilities			
Financial liabilities	0.38	0.49	14.21
Other liabilities	4.98	4.26	3.56
Total current liabilities	5.36	4.75	17.77
Non-current liabilities			
Other liabilities	6.05	1.89	1.93
Total non-current liabilities	6.05	1.89	1.93
Net assets	133.20	192.20	153.15

Reconciliation to carrying amounts

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Opening net assets	192.20	155.34
Profit for the year	38.57	37.04
Other comprehensive income	0.17	(0.18)
Dividends paid including tax	(97.74)	-
Closing net assets	133.20	192.20
Group's share in %	50.50%	50.50%
Group's share in ₹ Million	67.27	97.06
Carrying amount	67.27	97.06

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

Summarised statement of profit and loss

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Revenue	82.07	77.88
Other Income	7.76	1.45
Other gains	4.29	9.77
Depreciation and amortisation	(1.75)	(1.87)
Finance costs	(1.00)	(1.01)
Other expenses	(41.07)	(42.02)
Income tax expense	(11.73)	(7.16)
Profit for the year	38.57	37.04
Other comprehensive income	0.17	(0.18)
Total comprehensive income	38.74	36.86

38. Earnings per share

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(a) Net Profit after taxation attributable to equity shareholders (₹ in Millions)	640.85	651.84
(b) Weighted average number of Outstanding equity shares	58,949,337	58,949,337
(c) Dilutive impact on Net Profit (₹ in Millions)	0.28	2.84
(d) Net Profit / (Loss) after taxation attributable to equity shareholders (₹ in Millions) (Nominal value per share ₹ 5 each)	640.57	649.00
(e) Earnings per share		
Basic earning per share (in ₹) (a/b)	10.87	11.06
Diluted earning per share (in ₹) (d/b)	10.87	11.01

39. Related party transactions

A As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company as defined in Ind AS- 24.

(i) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

(A) Joint Venture Company

Cybercom Datamatics Information Solutions Limited
LDR eRetail Limited*
Elevondata Labs Holdings Inc. (till March 15, 2018)
Elevondata Labs Private Limited (till March 15, 2018)
Elevondata LLC (till March 15, 2018)

(B) Key Managerial Personnel

Dr. Lalit S. Kanodia, Chairman
Mr. Rahul L. Kanodia, Vice Chairman & CEO
Mr. Sameer L. Kanodia, Director
Ms. Divya Kumat, Company Secretary
Mr. Sandeep Mantri, Chief Financial Officer
Mr. Siddharth Saboo, Chief Financial Officer (till May 31, 2016)

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

Mrs. Asha L. Kanodia
Mrs. Aneesha Dalmia
Mrs. Priyadarshini Kanodia

Datamatics Staffing Services Limited
Datamatics Business Solutions Limited

(D) Holding Company

Delta Infosolutions Private Limited

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

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

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
[A]	Transactions during the year								
i	Revenue from operations	-	1.25	-	-	1.18	0.14	-	-
	Datamatics Business Solutions Limited	-	-	-	-	1.18	0.14	-	-
	LDR eRetail Limited	-	1.25	-	-	-	-	-	-
ii	Outsourcing cost	-	-	-	-	0.72	1.76	-	-
	Datamatics Staffing Services Limited	-	-	-	-	0.72	1.76	-	-
iii	Expenses incurred by related parties	3.17	2.75	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	3.17	2.75	-	-	-	-	-	-
iv	Expenses incurred for related parties	-	2.33	-	-	-	0.01	-	-
	Cybercom Datamatics Information Solutions Limited	-	0.01	-	-	-	-	-	-
	LDR e-Retail Limited	-	2.32	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	0.01	-	-
v	Recruitment expenses	-	-	-	-	3.52	0.78	-	-
	Datamatics Staffing Services Limited	-	-	-	-	3.52	0.78	-	-
vi	Legal and professional fees	-	-	-	-	0.68	3.45	-	-
	Datamatics Business Solutions Limited	-	-	-	-	0.24	0.27	-	-
	Mrs. Aneesha Dalmia	-	-	-	-	0.44	3.18	-	-
vii	Communication expenses	-	-	-	-	0.01	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	0.01	-	-	-
viii	Managerial remuneration	-	-	24.79	23.27	-	-	-	-
	Dr. Lalit S. Kanodia	-	-	7.31	6.38	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	9.93	9.79	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	7.55	7.10	-	-	-	-
ix	Salaries and allowances	-	-	14.68	10.31	2.74	2.60	-	-
	Mrs. Priyadarshini R. Kanodia	-	-	-	-	2.74	2.60	-	-
	Mr. Siddharth B. Saboo	-	-	-	1.80	-	-	-	-
	Ms. Divya Kumari	-	-	7.83	6.41	-	-	-	-
	Mr. Sandeep Mantri	-	-	6.85	2.10	-	-	-	-

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Sr. No.	Particulars	(i) A				(i) B		(i) C		(i) D	
		2017-18	2016-17			2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
x	Commission	-	-			9.98	6.50	0.15	0.15	-	-
	Dr. Lalit S. Kanodia	-	-			4.99	3.25	-	-	-	-
	Mr. Rahul L. Kanodia	-	-			4.99	3.25	-	-	-	-
	Mrs. Asha L. Kanodia	-	-			-	-	0.15	0.15	-	-
xi	Board sitting fees	-	-			-	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	-			-	-	0.13	0.13	-	-
xii	Purchase of Property, plant and equipment	-	-			-	-	-	-	-	-
	Mrs. Aneesha Dalmia	-	-			-	-	0.57	-	-	-
xiii	Corporate guarantee fees	1.00	1.00			-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	1.00	1.00			-	-	-	-	-	-
xiv	Interest expenses	-	-			3.32	6.55	1.24	2.45	-	-
	Dr. Lalit S. Kanodia	-	-			1.04	2.05	-	-	-	-
	Mr. Sameer L. Kanodia	-	-			2.28	4.50	-	-	-	-
	Mrs. Asha L. Kanodia	-	-			-	-	1.24	2.45	-	-
xv	Repayment of borrowings during the year	-	-			72.80	-	27.20	-	-	-
	Dr. Lalit S. Kanodia	-	-			22.80	-	-	-	-	-
	Mr. Sameer L. Kanodia	-	-			50.00	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	-			-	-	27.20	-	-	-
xvi	Dividend Paid	-	-			5.88	-	5.98	-	39.77	-
	Dr. Lalit S. Kanodia	-	-			4.04	-	-	-	-	-
	Mr. Sameer L. Kanodia	-	-			1.84	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	-			-	-	4.13	-	-	-
	Mrs. Priyadarshini Kanodia	-	-			-	-	1.85	-	-	-
	Delta Infosolutions Private Limited	-	-			-	-	-	-	39.77	-
xvii	Loans and advances refunded during the year	0.01	0.03			-	-	0.48	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.01	0.03			-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-			-	-	0.48	-	-	-
xviii	Loans and advances given during the year	0.06	0.26			-	-	2.00	0.48	-	-
	Cybercom Datamatics Information Solutions Limited	0.06	0.26			-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-			-	-	2.00	0.48	-	-

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Sr. No.	Particulars	(i) A			(i) B			(i) C			(i) D		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
[B]	Balance as on March 31												
	i												
	Loans and advances receivable	0.32	0.50	-	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.32	0.28	-	-	-	-	-	-	-	-	-	-
ii	LDR e-Retail Limited	-	0.22	-	-	-	-	-	-	-	-	-	-
	Payables	0.48	0.29	-	11.30	85.85	82.53	0.04	31.30	27.76	-	-	-
	Dr. Lalit S. Kanodia	-	-	-	4.99	28.10	27.53	-	-	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	4.99	3.25	4.50	-	-	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	1.32	54.50	50.50	-	-	-	-	-	-
	Mrs. Asha Kanodia	-	-	-	-	-	-	-	29.65	27.67	-	-	-
	Mrs. Aneesha Dalmia	-	-	-	-	-	-	-	1.52	-	-	-	-
	Datamatics Staffing Services Limited	-	-	-	-	-	-	-	0.10	0.07	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	0.22	-	-	-	-	-	-	-	-	-	-
	Elevondata Labs Pvt. Ltd.	0.48	0.07	-	-	-	-	-	-	-	-	-	-
iii	Datamatics Business Solutions Limited	-	-	-	-	-	-	0.04	0.03	0.02	-	-	-
	Receivables	0.15	-	-	-	-	-	1.64	0.35	0.07	-	-	-
	Datamatics Business Solutions Limited	-	-	-	-	-	-	1.64	0.35	0.07	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.15	-	-	-	-	-	-	-	-	-	-	-
iv	Guarantees	50.00	50.00	50.00	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	50.00	50.00	50.00	-	-	-	-	-	-	-	-	-

* LDR eRetail converted into wholly owned subsidiary during the year

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

40. Leases

Non-cancellable operating leases

The Group's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 30. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

(₹ in Millions)

	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	145.36	126.24	84.00
Later than one year but not later than five years	232.09	199.41	40.80
Later than five years	-	-	-

Rental expense relating to operating leases

(₹ in Millions)

	March 31, 2018	March 31, 2017
Total rental expense relating to operating leases	194.58	199.82

Notes:

- Future lease payments are determined on the basis of terms of the lease agreement.
- At the expiry of term of the agreement, the Company has an option either to return the leased asset or extend the term by giving a notice in writing.
- There are no sublease payments as well as no contingent rent.

41. Restricted Stock Unit Plan 2016

One of the subsidiary (the Company) has granted "Restricted Stock Units" under "LDL RSU PLAN 2016" The plan shall extend to Senior Executive employees as identified by the Board / Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant and based upon satisfaction of the performance criteria. The continuation of employee in the services of the Company shall be the primary requirement of the vesting.

Under the LDL RSU PLAN 2016, 432,000 options were granted at exercise price of ₹ 10 per option. The plan shall extend to Senior Executive employees as identified by the Board / Nomination and Remuneration Committee, being the permanent employees of the Company including its Subsidiaries and its directors. RSU shall vest at the end of 3 years from the date of grant.

During the year, an amount of Nil (₹ 11.91 million) has been expensed out considering the proportionate vesting period, which has been included in Employee benefits expense and the same has been disclosed under Reserves and Surplus - Employee Stock Option Outstanding.

42. Events occurring after the reporting period

Dividend

Dividends paid during the year ended March 31, 2018 include an amount of ₹ 0.75 per equity share towards final dividend for the year ended March 31, 2017 and an amount of ₹ 0.50 per equity share towards interim dividend for the year ended March 31, 2018.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Dividends declared by the Group are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 29, 2018, the Board of Directors of the Company have proposed a final dividend of ₹ 0.25 per share in respect of the year ended March 31, 2018 subject to the approval of shareholders at the Annual General Meeting."

43. Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

Contingent Liabilities to the extent not provided for:

(₹ in Millions)

	March 31, 2018	March 31, 2017
(a) Claims against the Group not acknowledged as debt:		
(i) Income Tax matters	126.65	119.94
(iii) Service Tax matters	6.93	23.11
(b) Details of guarantees outstanding as at:		
(i) Corporate guarantees provided to banks against credit facilities extended to subsidiaries and joint venture	98.00	195.28
(ii) Guarantees given by banks	165.29	114.46
(c) Capital and other commitments:		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	-	40.64
(ii) Estimated amount payable under business development agreement to business consultant (USD 0.26 million)	16.68	16.86

44. Forward contracts in foreign currencies

The Group in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Group uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Not later than one month	115.66	122.27
Later than one month and not later than three months	258.99	121.44
Later than three months and not later than one year	916.95	666.59
Later than one year	258.70	418.81
Total	1,550.30	1,329.11

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

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

(₹ Millions)

Foreign Currency	March 31, 2018			March 31, 2017		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	187	15.53	34.34	148	13.34	43.49
Euro	7	0.42	(0.63)	8	0.31	3.41
Sterling Pound	92	4.30	(18.80)	61	3.68	51.73
Total			14.91			98.63

Net gain on derivative instruments of ₹ 14.91 million (₹ 98.63 million) recognised in Cash Flow Hedging Reserve as of March 31, 2018, is expected to be reclassified to the Statement of Profit and Loss by December 31, 2019.

45. Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

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

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
1. Defined Contribution Plan		
Charge to the Statement of Profit and Loss based on contributions:		
Employers contribution to provident fund	118.74	107.74
Employers contribution to other foreign defined contribution plans	75.51	97.56
Employers contribution to employees' state insurance	18.64	13.23
Employers contribution to employees' pension scheme 1995	0.08	7.58
Employers contribution to labour welfare fund and others	2.26	0.55
Included in contribution to provident fund and other funds (Refer Note No. 28)	215.23	226.66

II. Defined benefit plan

i) Movement in Present Value of Obligation

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Present Value of Obligation as at the beginning	100.67	86.39	80.51	64.39
Current Service Cost	22.15	10.81	21.93	15.38
Interest Expense or Cost	7.21	7.28	5.76	5.02
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in demographic assumptions	(3.09)	1.04	(2.05)	0.21
- change in financial assumptions	(14.19)	6.29	(7.14)	5.73

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
- experience variance (i.e. actual experience vs assumptions)	20.97	3.22	9.13	8.39
Past Service Cost	11.76	0.00	-	-
Benefits Paid	(18.77)	(22.82)	(24.70)	(25.20)
Present Value of Obligation as at the end	126.71	92.22	83.45	73.93

ii) Expenses recognised in the income statement and other comprehensive income

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current service cost	22.15	10.81	21.93	15.38
Past service cost	11.76	-	-	-
Net interest cost on the net defined benefit liability	7.21	7.28	5.76	5.02
Expenses recognised in Profit & Loss Account	41.12	18.10	27.64	34.74
Other Comprehensive Income				
Actuarial (gains) / losses				
- change in demographic assumptions	(3.09)	1.04	-	-
- change in financial assumptions	(14.19)	6.29	-	-
- experience variance	20.97	3.22	-	-
Expenses recognised in OCI	3.69	10.55	-	-

iii) Financial Assumptions

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

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount Rate (per annum)	6.90% - 7.70%	6.88% - 7.27%	7.70%	7.09% - 7.27%
Salary growth rate (per annum)	3.50% - 4.50%	4.50%	3.50% - 4.50%	4.50%
Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08

iv) Sensitivity Analysis

(₹ in Millions)

Particulars	Gratuity			
	March 31, 2018		March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	79.25	70.44	63.96	54.37
Discount rate (- / + 1%)	59.40	45.99	13.18	10.05
Salary growth rate (- / + 0.5%)	70.59	79.00	54.88	63.26
Salary growth rate (- / + 1%)	45.89	59.40	10.35	12.80
Attrition rate (1 / + 1%)	74.57	74.71	58.73	59.23
Attrition rate (1 / + 0.5%)	7.38	7.27	-	-
Attrition rate (1 / + 0.25%)	43.73	45.55	11.20	11.96
Mortality rate (- / + 1%)	74.53	74.75	-	-
Mortality rate (- / + 1%)	51.99	52.15	-	-

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Sensitivity Analysis

(₹ in Millions)

Particulars	Leave Encashment			
	March 31, 2018		March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	50.38	42.59	-	-
Discount rate (- / + 1%)	40.57	34.54	-	-
Salary growth rate (- / + 0.5%)	42.46	50.47	-	-
Salary growth rate (- / + 1%)	34.42	40.66	-	-
Attrition rate (1 / + 1%)	41.78	49.13	-	-
Attrition rate (1 / + 50%)	16.51	17.84	-	-
Attrition rate (1 / + 25%)	19.62	20.38	-	-
Mortality rate (- / + 1%)	46.09	46.17	-	-
Mortality rate (- / + 10%)	37.30	37.33	-	-

v) Maturity profile of Defined Benefit obligation

(₹ in Millions)

Particulars	Gratuity	Leave encashment
	Amount	Amount
1 Year	8.67	21.15
2 to 5 years	32.41	28.55
6 to 10 years	44.29	22.58
More than 10 years	332.53	134.18

46. Additional information, as required to Consolidated Financial Statements to Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary / Associates / Joint Ventures

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Global Services Limited Subsidiaries	40.74%	4,472.40	56.71%	406.69	113.75%	(53.72)	52.69%	352.97
Indian								
Cignex Datamatics Technologies Limited	2.74%	300.28	6.51%	46.66	(2.03%)	0.96	7.11%	47.62
Lumina Datamatics Limited	18.01%	1,977.01	9.03%	64.73	(20.19%)	9.53	11.08%	74.26
LD Publishing & eRetail Limited	0.00%	0.49	0.00%	(0.01)	-	-	0.00%	(0.01)
LDR eRetail Limited	(0.31%)	(33.87)	(0.83%)	(5.98)	(0.06%)	0.03	(0.89%)	(5.95)
Datamatics Digital Limited	1.49%	163.75	5.35%	38.39	8.68%	(4.10)	5.12%	34.29
Attune Infocom Private Limited	0.09%	9.52	0.67%	4.82	(0.15%)	0.07	0.73%	4.89
Foreign								
Datamatics Global Services Inc.	3.74%	410.08	5.14%	36.83	-	-	5.50%	36.83
Datamatics Robotics Software Inc.	0.01%	0.65	-	-	-	-	0.00%	(0.00)
Datamatics Infotech Limited	1.08%	118.46	3.19%	22.89	-	-	3.42%	22.89
Datamatics Global Technologies GmbH	-	-	-	-	-	-	-	-

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

	Net Assets i.e. total assets minus total liabilities		Share in profit or loss		Share in Other comprehensive income (OCI)		Share in Total comprehensive income (TCI)	
	As % of consolidated net assets	₹ in Millions	As % of consolidated profit or loss	₹ in Millions	As % of consolidated OCI	₹ in Millions	As % of consolidated TCI	₹ in Millions
Datamatics Global Services Pty. Limited	0.10%	10.73	0.61%	4.38	-	-	0.65%	4.38
Datamatics Global Technologies Limited	8.90%	977.39	0.28%	1.98	-	-	0.30%	1.98
Datamatics Global Technologies AG	0.01%	1.57	(0.09%)	(0.64)	-	-	(0.10%)	(0.64)
Techjini Inc	0.15%	16.39	0.14%	1.03	-	-	0.15%	1.03
Cignex Datamatics Corporation	0.24%	26.47	-	-	-	-	0.00%	-
Cignex Datamatics Inc.	1.67%	183.15	16.16%	115.86	-	-	17.29%	115.86
Cignex Datamatics Pte. Limited	0.08%	9.10	0.07%	0.50	-	-	0.08%	0.50
Cignex Datamatics UK Limited	(0.01%)	(1.17)	(0.40%)	(2.88)	-	-	(0.43%)	(2.88)
Cignex Datamatics GmbH	0.02%	1.66	0.08%	0.59	-	-	0.09%	0.59
Duo Consulting, Inc.	0.35%	38.84	(1.59%)	(11.38)	-	-	(1.70%)	(11.38)
Datamatics Global Services FZ LLC	1.19%	130.57	0.72%	5.14	-	-	0.77%	5.14
Datamatics Global Services Corp.	0.09%	10.33	(0.30%)	(2.13)	-	-	(0.32%)	(2.13)
Lumina Datamatics Inc.	18.45%	2,024.97	3.33%	23.86	-	-	3.56%	23.86
Lumina Datamatics GmbH	0.15%	16.57	0.10%	0.73	-	-	0.11%	0.73
Lumina Datamatics Assessment and Analytics, LLC	1.02%	112.10	(4.86%)	(34.89)	-	-	(5.21%)	(34.89)
Total	100.00%	10,977.42	100.00%	717.15	100.00%	(47.23)	100.00%	669.93
Adjustments arising out of consolidation		(5,513.62)		(24.98)		(165.59)		(190.58)
Share of Profit in Joint Venture								
Indian Joint Venture								
Cybercom Datamatics Information Solutions Limited	-	-	-	19.56	-	-	-	19.56
LDR eRetail Limited	-	-	-	0.46	-	-	-	0.46
Foreign Joint Venture								
Elevondata Labs Holdings Inc	-	-	-	2.84	-	-	-	2.84
Non Controlling Interest Indian Subsidiaries								
Lumina Datamatics Limited		26.90		(0.40)		-		(0.40)
Attune Infocom Private Limited		(2.36)		3.10		-		3.10
Datamatics Digital Limited		65.70		(27.58)		-		(27.58)
Foreign Subsidiaries								
Lumina Datamatics Assessment and Analytics, LLC		19.56		17.67		-		17.67
Cignex Datamatics Corporation		210.28		(66.97)		-		(66.97)
Duo Consulting, Inc.		43.57		-		-		-
Total		(5,149.98)		(76.30)	-	(165.59)	-	(241.89)
Consolidated Net Assets / Profit after tax		5,827.44		640.85		(212.82)		428.03

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

47. First-time adoption of Ind AS

Transition to Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

The accounting policies set out in note 1 have been applied in preparing the consolidated financial statements for the year ended 31 March 2018, the comparative information presented in these consolidated financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the Group's date of transition). In preparing its opening Ind AS balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated. The group has applied same exemption for investment in associates and joint ventures.

Ind AS 101 allows a first-time adopter not to apply Ind AS 21 Effects of changes in Foreign Exchange Rates retrospectively for business combinations that occurred before the date of transition to Ind AS. In such cases, where the entity does not apply Ind AS 21 retrospectively to fair value adjustments and goodwill, the entity treats them as assets and liabilities of the acquirer entity and not as the acquiree.

The group has elected to apply this exemption.

A.1.2 Cumulative translation differences

Ind AS 101 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with Ind AS 21 from the date a subsidiary or equity method investee was formed or acquired.

The group elected to reset all cumulative translation gains and losses to zero by transferring it to opening retained earnings at its transition date.

A.1.3 Deemed Cost - Property, Plant and Equipment, Capital work-in-progress and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Group has elected to measure all of its property, plant and equipment, Capital work-in-progress and intangible assets at their previous GAAP carrying values.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

A.1.4 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The Group has elected to apply this exemption for its investment in equity investments.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of 1 April 2016 are reflected as hedges in the Group's results under Ind AS.

The Group had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the Group had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the Group continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

Group's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- * Investment in equity instruments carried at FVPL or FVOCI;
- * Investment in debt instruments carried at FVPL; and
- * Impairment of financial assets based on expected credit loss model.

A.2.3 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the Group's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.4 Non-controlling interests

Ind AS 110 requires entities to attribute the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests. This requirement needs to be followed even if this results in the non-controlling interests having a deficit balance. Ind AS 101 requires the above requirement to be followed prospectively from the date of transition.

Consequently, the group has applied the above requirement prospectively.

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Effects of Ind AS adoption on Balance Sheet at 31st March, 2017 and 1st April, 2016:

(₹ in Millions)

Particulars	Note No.	As at 31 st March, 2017 (End of last period presented as per IGAAP)			As at 1 st April, 2016 (Date of Transition)		
		As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS	As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS
Property, plant and equipment	8,10	1,163.82	(70.01)	1,093.81	1,155.46	(79.02)	1,076.45
Capital work-in-progress		12.42	-	12.42	18.00	-	18.00
Goodwill	7,10	1,518.75	(80.36)	1,438.39	1,233.87	(16.01)	1,217.87
Other intangible assets	10	124.04	(22.68)	101.36	166.13	(26.04)	140.09
Financial assets							
i. Investments	1,10	123.14	161.50	284.64	537.93	(213.72)	324.17
ii. Loans		4.79	-	4.79	5.99	-	5.99
iii. Other financial assets	10	92.11	(0.57)	91.54	88.81	(0.12)	88.70
Deferred tax assets	3,10	105.31	79.25	184.57	(2.36)	87.97	85.61
Non-current tax assets	10	4.74	(3.17)	1.57	51.02	(0.07)	50.95
Other non-current assets	10	64.37	(7.50)	56.86	74.02	(7.65)	66.38
Total non-current assets		3,213.49	56.46	3,269.95	3,328.87	(254.66)	3,074.21
Current assets							
Financial assets							
i. Investments	1,10	480.83	(47.27)	433.56	765.26	(23.99)	741.28
ii. Trade receivables	4,10	1,914.81	(335.03)	1,579.78	1,849.52	(343.59)	1,505.93
iii. Cash and cash equivalents	10	689.70	(13.07)	676.63	615.10	(4.14)	610.96
iv. Bank balances other than (iii) above	10	6.58	(0.93)	5.65	12.75	(0.57)	12.18
v. Loans	10	7.48	-	7.48	35.86	(10.04)	25.81
vi. Other financial assets	10	677.09	(0.15)	676.94	465.09	(0.91)	464.18
Other current assets	10	147.79	(0.81)	146.98	159.56	(2.35)	157.20
Total current assets		3,924.28	(397.26)	3,527.02	3,903.14	(385.59)	3,517.54
Total assets		7,137.77	(340.80)	6,796.97	7,232.01	(640.25)	6,591.75
Equity							
Equity share capital		294.75	-	294.75	294.75	-	294.75
Other equity							
Equity component of compound financial instruments	1	-	-	-	771.76	771.76	-
Reserves and surplus	10,11	4,829.28	(89.87)	4,739.40	3,664.82	173.45	3,838.27
Other reserves	10,11	182.62	(193.76)	(11.13)	240.17	(182.32)	57.84
Equity attributable to owners		5,306.65	(283.63)	5,023.02	4,971.50	(780.63)	4,190.86
Non-controlling interests		259.57	(51.26)	208.31	473.10	181.90	655.00
Total equity		5,566.22	(334.89)	5,231.33	5,444.60	(598.73)	4,845.86
LIABILITIES							
Non-current liabilities							
Financial liabilities							
i. Borrowings	5	82.07	(0.60)	81.47	435.71	(1.06)	434.65
ii. Other financial liabilities		0.64	-	0.64	0.34	-	0.34
Provisions	10	146.77	(2.33)	144.44	113.98	(1.95)	112.03
Total non-current liabilities		229.48	(2.93)	226.55	550.03	(3.01)	547.02

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	Note No.	As at 31 st March, 2017 (End of last period presented as per IGAAP)			As at 1 st April, 2016 (Date of Transition)		
		As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS	As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS
Current liabilities							
Financial liabilities							
i. Borrowings	10	209.11	(4.76)	204.34	304.75	-	304.75
ii. Trade payables	10	620.98	4.62	625.60	524.44	(4.88)	519.55
iii. Other financial liabilities	10	281.03	-	281.03	199.57	(14.51)	185.06
Provisions	2	-	-	-	56.89	(18.17)	38.72
Other current liabilities	10	207.38	(2.82)	204.55	151.74	(0.95)	150.79
Total current liabilities		1,342.07	(2.96)	1,339.09	1,237.40	(38.51)	1,198.87
Total liabilities		1,571.55	(5.89)	1,565.64	1,787.43	(41.52)	1,745.89
Total equity and liabilities		7,137.77	(340.80)	6,796.97	7,232.01	(640.25)	6,591.75

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in Millions)

Particulars	Note No.	As per IGAAP	Adjustments on transition to Ind AS	AS As per Ind AS
Revenue from operations	10	8,671.24	(147.08)	8,524.17
Other income	1,10	195.10	(30.66)	164.45
Total income		8,866.34	(177.74)	8,688.62
Operational expenses		93.08	-	93.08
Employee benefit expense	6,10	5,152.49	(74.04)	5,078.45
Finance costs	10	48.43	(0.71)	47.72
Depreciation and amortisation expense	10	273.36	(31.40)	241.96
Other expenses	10	2,617.23	(94.17)	2,523.06
Total expenses		8,184.59	(200.32)	7,984.27
Profit before exceptional items, share of net profits of investments accounted for and tax		681.75	22.58	704.35
Share of net profits of joint ventures	10	-	21.12	21.12
Profit before exceptional items and tax		681.75	43.70	725.47
Exceptional items	13	271.08	(303.96)	(32.88)
Profit before tax		952.83	(260.26)	692.59
Income tax expense				
- Current tax	10	168.75	(8.14)	160.61
- Deferred tax	3,10	(105.02)	(2.62)	(107.64)
Total tax expense/(credit)		63.73	(10.76)	52.97
Profit from continuing operations		889.10	(249.50)	639.62
Share of Non Controlling Interest in Profit for the year		(12.22)	-	(12.22)
Profit for the year		901.32	(249.50)	651.84
OCI for the year	12	-	(76.87)	(76.87)
Total comprehensive income for the year		901.32	(326.37)	574.97

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

(₹ in Millions)

Particulars	Notes to first time adoption	March 31, 2017	April 1, 2016
Total equity as per Indian GAAP		5,566.22	5,444.59
Reversal of Proposed Dividend and tax thereon	2	-	17.74
Fair valuation of investments	1	(57.28)	(275.01)
Borrowings less transaction cost adjustments	5	0.60	1.06
Amortisation of leasehold Land	8	(38.94)	(34.25)
Provision on Expected Credit Loss on trade receivables	4	(289.34)	(322.60)
Reversal of amortisation of goodwill and other assets	7,10	44.76	(40.63)
Deferred tax impact on Ind AS adjustments	3	79.25	87.97
Ind AS impacts on joint ventures	10	(73.95)	(33.00)
Total equity as per Ind AS		5,231.33	4,845.86

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in Millions)

Particulars	March 31, 2017
Hedge Reserve	40.79
Foreign currency translation reserve	(98.33)
Actuarial gain / loss	(10.65)
FVOCI investments	2.68
Tax relating to above	(11.36)
Other Comprehensive income	(76.87)

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

(₹ in Millions)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	831.05	31.06	862.11
Net cash flow from investing activities	(186.86)	(40.60)	(227.46)
Net cash flow from financing activities	(566.94)	3.61	(563.33)
Net increase/(decrease) in cash and cash equivalents	77.25	(11.58)	65.67
Cash and cash equivalents as at April 1, 2016	615.64	(4.68)	610.96
Cash and cash equivalents as at March 31, 2017	692.89	(16.26)	676.63

Notes to first-time adoption:

Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. This increased the retained earnings by ₹ 57.28 million as at 31 March 2017 (1 April 2016 - ₹ 275.01 million). This has resulted in an increase in profit for the year ended 31 March 2017 by ₹ 2.73 million.

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017. This increased other reserves by ₹ 2.68 million as at 31 March 2017 (1 April 2015 - ₹ 3.95 million).

Note 2: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax ₹ 3 million) of ₹ 17.74 million as at 31 March 2017 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 3: Deferred tax

Under previous GAAP, tax expense in the financial statements was computed by performing line by line addition of tax expense of the parent and its subsidiaries. Deferred tax have been recognised on the adjustments made on transition to Ind AS.

Note 4: Trade receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 289.34 million as at 31 March 2017 (1 April 2016 – ₹ 322.60 million). Consequently, the total equity as at 31 March 2017 decreased by ₹ 289.34 million (1 April 2016 – ₹ 322.60 million).

Note 5: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31 March 2017 have been reduced by ₹ 1.66 million (1 April 2016 – ₹ 1.06 million) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31 March 2017 reduced by ₹ 0.60 million as a result of the additional interest expense.

Note 6: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2017 increased by ₹ 10.65 million (1 April 2016 ₹ Nil). There is no impact on the total equity as at 31 March 2017 (1 April 2016).

Note 7: Goodwill

Under previous GAAP, Goodwill created on merger were amortised over period of 5 years. Under Ind AS, Goodwill is tested for impairment and not amortised over a specified period. Hence, Goodwill reinstated as on 1 April 2016. As

Notes to the Consolidated Financial Statements as at March 31, 2018 (Contd.)

a result of this, Profit for the year ended 31 March 2017 increased by ₹ 24.81 million (1 April 2016 ₹ Nil). Accordingly, Retained earnings also increased by ₹ 24.81 million. Also due to removal of subsidiary of CDIS and Elevondata, Goodwill decreased by ₹ 36.54 million as on 31 March 2017 (₹ 0.92 million as on 1 April 2016).

Note 8 : Property, Plant and equipment

Leasehold land is amortised over a period of lease. This has been resulted in decrease in retained earnings as at 31 March 2017 ₹ 38.94 million. (1 April 2016 - ₹ 34.25 Million). Profit for the year ended 31 March 2017 is decreased by 4.68 million.

Note 9 : Foreign currency translation reserve

The group elected to reset the balance appearing in the foreign currency translation reserve to zero as at 1 April 2016. Accordingly, translation reserve balance under previous GAAP of ₹ 182.32 million has been transferred to retained earnings. There is no impact on total equity as a result of this adjustment.

Note 10: Removal of subsidiaries

Under previous GAAP, Cybercom Datamatics Information Solutions Limited (CDIS), LDR eRetail Limited (LDRL) and Elevondata Labs Holdings Inc (Elevondata) had been treated as subsidiary based on the shareholding. Under Ind AS, these three subsidiaries treated as joint ventures based on joint control and accounted under equity method. Following table explains effect of removal of subsidiaries from each line item.

Balance Sheet As At

(₹ in Millions)

Particulars	March 31, 2017			April 1, 2016		
	CDIS	LDRL	Elevondata	CDIS	LDRL	Elevondata
Property, plant and equipment	42.37	0.75	0.09	43.85	0.91	-
Goodwill	0.92	-	35.62	0.92	-	-
Other intangible assets	0.34	-	-	0.50	-	-
Financial assets						-
i. Investments	26.45	(49.66)	(35.17)	19.58	(16.76)	-
ii. Loans	-	-	(0.01)	-	(5.00)	-
iii. Other financial assets	-	-	-	0.12	-	-
Deferred tax assets	-	-	(0.01)	-	-	-
Non-current tax assets	(0.23)	2.49	0.91	0.07	-	-
Other non-current assets	-	-	-	7.65	-	-
Total non-current assets	69.85	(46.42)	1.43	72.69	(20.85)	-
Current assets						
Financial assets						
i. Investments	68.53	-	-	53.88	3.40	-
ii. Trade receivables	18.96	22.29	13.81	20.99	-	-
iii. Cash and cash equivalents	9.62	0.77	2.68	3.37	0.77	-
iv. Bank balances other than (iii) above	0.93	-	-	0.57	-	-
v. Loans	-	0.11	-	10.00	-	-
vi. Other financial assets	0.50	-	0.06	0.04	-	-
Other current assets	9.19	(0.89)	-	1.98	1.28	-
Total current assets	107.73	22.28	16.55	90.83	5.45	-
Total assets	177.58	(24.14)	17.98	163.52	(15.40)	-

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Balance Sheet As At

(₹ in Millions)

Particulars	March 31, 2017			April 1, 2016		
	CDIS	LDRL	Elevondata	CDIS	LDRL	Elevondata
EQUITY AND LIABILITIES						
Equity						
Equity share capital	-	-	-	-	-	-
Other equity						
Reserves and surplus	83.05	(28.03)	(0.14)	69.16	(18.75)	-
Other reserves	-	-	-	-	-	-
Equity attributable to owners						
Non-controlling interests	88.28	0.35	1.19	74.66	0.35	-
Total equity	171.34	(27.68)	1.04	143.82	(18.41)	-
LIABILITIES						
Non-current liabilities						
Employee benefit obligations	-	-	-	1.95	0.12	-
Total non-current liabilities	-	-	-	1.95	0.12	-
Current liabilities						
Financial liabilities						
i. Borrowings	-	-	4.76	-	-	-
ii. Trade payables	3.69	3.04	9.14	17.07	2.32	-
iii. Other financial liabilities	-	-	0.96	-	-	-
Employee benefit obligations	2.13	0.20	-	0.22	0.09	-
Other current liabilities	0.43	0.30	2.07	0.46	0.49	-
Total current liabilities	6.25	3.54	16.94	17.75	2.89	-
Total liabilities	6.25	3.54	16.94	19.70	3.01	-
Total equity and liabilities	177.58	(24.14)	17.98	163.52	(15.40)	-

Notes to the Consolidated Financial Statements

as at March 31, 2018 (Contd.)

Statement of Profit & Loss for the year ended 31 March 2017

Particulars	(₹ in Millions)		
	March 31, 2017		
	CDIS	LDRL	Elevondata
Revenue from operations	77.88	27.65	62.50
Other income	(0.13)	-	(0.03)
Total income	77.75	27.65	62.47
Operational expenses			
Employee benefit expenses	29.91	18.58	13.69
Depreciation and amortisation expense	1.87	0.16	0.15
Net finance costs	1.01	-	0.27
Other expenses	10.30	18.19	48.85
Total expenses	43.08	36.93	62.96
Profit before share of net profits of investments in Joint venture accounted for and tax	34.67	(9.27)	(0.49)
Share of net profits of joint ventures	-	-	-
Profit before tax	34.67	(9.27)	(0.49)
Income tax expense			
- Current tax	7.16	-	0.99
- Deferred tax	-	-	(0.01)
Total tax expense	7.16	-	0.97
Profit for the year	27.52	(9.27)	(1.47)

These joint ventures were accounted for using equity method of accounting. Due to this, profit for the year as well as Non current investments increased by ₹ 21.22 million for the year ended 31 March 2017 (₹ 60.33 Million for 1 April 2016).

Note 11: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 12: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

Note 13: Exceptional item

Under Ind AS, preference share capital issued by one of the subsidiaries of ₹ 771.76 million considered as financial liability. The same was bought back by the Company for ₹ 217.80 million, resulting in total gain of ₹ 303.96 million. Considering the fact that preference shares as financial liability and bought back from outside shareholders, the resultant gain is recognised in opening equity as on April 1, 2016.

48. Exceptional Item - One of the step down subsidiary discontinued its business in the previous year. Hence the Group has provided for loss of ₹ 32.88 million in the previous year which is considered as exceptional item.
49. 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.
50. Previous year figures have been appropriately regrouped/reclassified and rearranged wherever necessary to conform to the current year's presentation.
51. Figures in the bracket indicates previous year figures.

As per our attached report of even date

For M L BHUWANIA AND CO LLP

Chartered Accountants

Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia

DIN 00008050

Chairman

Ashishkumar Bairagra

Partner

Membership No. 109931

R. K. Saraswat

DIN 00015095

Director

Rahul L. Kanodia

DIN 00075801

Vice Chairman & CEO

Place : Mumbai

Date : May 29, 2018

Divya Kumat

EVP, Chief Legal Officer
& Company Secretary

Sandeep Mantri

Chief Financial Officer

Independent Auditor's Report on Standalone Financial Statements

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

Report on the Standalone Ind AS Financial Statements

We have audited accompanying Standalone Ind AS financial statements of DATAMATICS GLOBAL SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018 and the Statement of Profit and Loss (including other comprehensive income) and Cash Flow Statement and the statement for changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS 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 Standalone Ind AS 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 Standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 including the Ind AS, of the state of affairs (financial position) as at March 31, 2018, and its financial performance including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

Emphasis of matter

Attention is drawn to Note No. 37 the Company has an investment of ₹ 646.30 million in two wholly owned subsidiaries and has also extended loans and advances of ₹ 10.94 million to these subsidiaries as on March 31, 2018. The net worth of these subsidiaries has declined. We are given to understand that, these investments are for long term and of strategic matter and the management is confident of turning around the subsidiaries in the near future. In view of this, we are unable to comment on whether provision if any, for the diminution in the value of investments is required to be made. Our opinion is not modified in respect of this matter.

Independent Auditor's Report on Standalone Financial Statements (Contd.)

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006. For the year ended March 31, 2017 and March 31, 2016 on which the predecessor auditor expressed an unmodified opinion vide audit report dated May 23, 2017 and May 27, 2016 respectively on those Standalone Ind AS financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
2. As required by Section 143(3) of the Act, we report that
 - a) We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid Standalone Ind AS financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Standalone Ind AS financial statements have been kept by the Company so far as appears from our examination of those books.
 - c) The Balance Sheet, Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the statement of changes in equity dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of the Standalone Ind AS financial statements.
 - d) In our opinion, the aforesaid Standalone Ind AS financial statements 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, 2018 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2018 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 Standalone Ind AS Financial Statements (Refer Note No. 40 to the standalone Ind AS financial statement).
 - ii. The Company did not have any material foreseeable losses on long-Term contracts including derivatives contracts as at March 31, 2018.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For M L Bhuwania and Co. LLP

Chartered Accountants

Firm Registration Number: 101484W / W100197

Ashishkumar Bairagra

Partner

Membership No: 109931

Place: Mumbai

Date: May 29, 2018

Annexure A to the Auditor's Report

Referred to in paragraph 1 of 'Report on other Legal and Regulatory Requirements' in our Report of even date on the accounts of DATAMATICS GLOBAL SERVICE LIMITED for the year ended March 31, 2018

- i. (a) The Company is generally maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause 3(ii) of the order is not applicable.
- iii. The Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register

- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of Value Added Tax, Sales Tax, Excise Duty and Customs Duty which have not been deposited on account of any dispute. The disputed amounts that have not been deposited in respect of Income Tax and Service Tax are as under:

Sr. No.	Name of the Statute	Nature of the dues	Financial Year to which it relates	Forum where the dues is pending	₹ in million
1.	Income Tax, 1961	Income Tax Dues	2011-12	Assistant Commissioner of Income Tax	17.74

- viii. According to the records of the Company examined by us and information and explanation given to us, the Company has not defaulted in repayment of dues to banks during the year. The company has not taken any loan or borrowing from government, financial institution, and has not issued debentures during the year.

maintained under Section 189 of the Act. Hence sub clauses (a) to (c) of clause 3(iii) are not applicable to the Company.

- iv. According to information and explanation provided to us in respect of loans, investments, guarantees and securities, the company has complied with the provisions of Section 185 and 186 of the companies Act, 2013.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified and therefore clause 3(v) is not applicable.
- vi. The Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013, for any of the products of the company.
- vii. (a) According to the information and explanation given to us and the records of the Company examined by us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise duty, value added tax, cess, Goods & Service Tax and any other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues except the following mentioned below were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

Annexure A

to the Auditor's Report *(Contd.)*

- ix. The Company has not raised any money by way of public issue/ further offer (including debt instruments). The money 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. In our opinion and according to the information and explanations given to us, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the nature of the activities of the company does not attract any special statute applicable to Nidhi Company. Accordingly, clause 3(xii) of the order is not applicable to the company.
- xiii. According to the information and explanation given to us, and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sec 177 and 188 of Companies Act, 2013 where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, and based on our examination of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, clause 3 (xv) of the Order is not applicable to the Company.
- xvi. The company is not required to be registered under Sec 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3 (xvi) of the Order is not applicable to the Company.

For M L Bhuwania and Co. LLP

Chartered Accountants

Firm Registration Number: 101484W / W100197

Ashishkumar Bairagra

Partner

Membership No: 109931

Place: Mumbai

Date: May 29, 2018

Annexure B to the Auditor's Report

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

We have audited the internal financial controls over financial reporting of DATAMATICS GLOBAL SERVICES LIMITED ("the Company") as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Annexure B to the Auditor's Report *(Contd.)*

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For M L Bhuwania and Co. LLP

Chartered Accountants

Firm Registration Number: 101484W / W100197

Ashishkumar Bairagra

Partner

Membership No: 109931

Place: Mumbai

Date: May 29, 2018

Balance sheet

as at March 31, 2018

(₹ in Millions)

Particulars	Note	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non-current assets				
Property, Plant and Equipment	2	944.88	979.58	955.50
Capital work-in-progress	2	10.32	7.68	18.00
Goodwill	3	99.24	99.24	99.24
Other intangible assets	3	115.47	68.79	76.66
Financial assets				
i. Investments	4	2,489.96	2,035.93	2,072.99
ii. Loans	5	2.96	5.27	5.99
iii. Other financial assets	6	63.49	68.51	73.24
Deferred tax assets	31(c)	353.82	388.24	314.62
Non-current tax assets		30.07	6.65	41.97
Other non-current assets	7	12.54	12.24	10.32
Total non-current assets		4,122.75	3,672.13	3,668.53
Current assets				
Financial assets				
i. Investments	8	106.63	332.25	345.38
ii. Trade receivables	9	930.37	681.80	549.52
iii. Cash and cash equivalents	10	78.04	114.82	135.94
iv. Bank balances other than (iii) above	11	7.45	4.00	10.42
v. Loans	12	0.12	7.72	0.25
vi. Other financial assets	13	325.67	324.26	117.36
Other current assets	14	34.55	34.45	54.74
Total current assets		1,482.83	1,499.30	1,213.61
Total Assets		5,605.58	5,171.43	4,882.14
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15(a)	294.75	294.75	294.75
Other equity	15(b)	4,177.66	3,898.41	3,649.47
Total equity		4,472.41	4,193.16	3,944.22
Liabilities				
Non-current liabilities				
Financial liabilities				
i. Borrowings	16	-	79.81	349.03
ii. Other financial liabilities	17	178.83	20.52	20.22
Provisions	18	101.50	92.02	79.42
Total non-current liabilities		280.33	192.35	448.67
Current liabilities				
Financial liabilities				
i. Borrowings	19	463.93	144.33	85.62
ii. Trade payables	20	308.95	308.81	173.82
iii. Other financial liabilities	21	8.45	278.05	180.47
Provisions	22	19.27	16.16	13.41
Other current liabilities	23	52.24	38.57	35.93
Total current liabilities		852.84	785.92	489.25
Total liabilities		1,133.17	978.27	937.92
Total Equity and Liabilities		5,605.58	5,171.43	4,882.14

The accompanying notes forming an integral part of the financial statements

1-54

As per our attached report of even date

For M L BHUWANIA AND CO LLP

Chartered Accountants

Firm Registration No. 101484W/W100197

For and on behalf of the Board

Dr. Lalit S. Kanodia

DIN 00008050

Chairman

Ashishkumar Bairagra

Partner

Membership No. 109931

R. K. Saraswat

DIN 00015095

Director

Rahul L. Kanodia

DIN 00075801

Vice Chairman & CEO

Place : Mumbai

Date : May 29, 2018

Divya Kumat

EVP, Chief Legal Officer

& Company Secretary

Sandeep Mantri

Chief Financial Officer

Statement of Profit and Loss

for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note	March 31, 2018	March 31, 2017
Continuing operations			
Revenue from operations	24	3,378.50	3,057.12
Other income	25	226.43	192.96
Total income		3,604.93	3,250.08
Expenses			
Operational expenses	26	49.43	11.88
Employee benefit expenses	27	2,000.68	1,827.49
Finance costs	28	34.41	38.05
Depreciation and amortisation expenses	29	102.33	118.58
Other expenses	30	894.63	847.99
Total expenses		3,081.48	2,843.99
Profit before exceptional items and tax		523.45	406.09
Exceptional items (Refer note no. 47)		-	(154.11)
Profit before tax		523.45	251.98
Tax expense			
- Current tax	31(a)	74.07	87.20
- Deferred tax	31(a)	42.69	(83.07)
Total tax expense		116.76	4.13
Profit for the year		406.69	247.85

Statement of other comprehensive income (OCI) for the year ended March 31, 2018

(₹ in Millions)

Particulars	Note	March 31, 2018	March 31, 2017
Items that will be reclassified to profit or loss			
Deferred gains/ losses on cash flow hedge		(80.65)	31.85
Tax relating to above		27.91	(11.02)
		(52.74)	20.83
Items that will not be reclassified to profit or loss			
Actuarial gains and losses		(1.45)	(5.74)
Changes in fair value of FVOCI instruments		(0.05)	2.68
Tax relating to above		0.52	1.06
		(0.98)	(2.00)
OCI for the year		(53.72)	18.83
Total comprehensive income for the year		352.97	266.68
Earnings per equity share (face value ₹ 5 each)			
Basic and Diluted (in ₹)	38	6.90	4.20

The accompanying notes forming an integral part of the financial statements

1-54

As per our attached report of even date

For M L BHUWANIA AND CO LLP

Chartered Accountants

Firm Registration No. 101484W/W100197

For and on behalf of the Board

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

Chairman

Rahul L. Kanodia**DIN 00075801**

Vice Chairman & CEO

Sandeep Mantri

Chief Financial Officer

Ashishkumar Bairagra

Partner

Membership No. 109931**R. K. Saraswat****DIN 00015095**

Director

Divya KumatEVP, Chief Legal Officer
& Company Secretary**Place : Mumbai****Date : May 29, 2018**

Statement of Changes in Equity

for the year ended March 31, 2018

A. Equity share capital

Particulars	₹ in Millions
As at April 1, 2016	294.75
Changes in equity share capital	-
As at March 31, 2017	294.75
Changes in equity share capital	-
As at March 31, 2018	294.75

B. Other equity

	Reserves and surplus						Other comprehensive income			Total other equity
	Securities premium reserve	Retained earnings	General reserve	Capital reserve	Capital redemption reserve		Equity investments	Actuarial gains and losses	Cash flow hedging reserve	
As at April 1, 2016	1,080.08	1,158.72	1,077.14	35.60	244.28		-	-	53.65	3,649.47
Profit for the year	-	247.85	-	-	-		-	-	-	247.85
Other comprehensive income	-	-	-	-	-		2.68	(4.68)	20.83	18.83
Total comprehensive income for the year	-	247.85	-	-	-		2.68	(4.68)	20.83	266.68
Dividend paid (including taxes)	-	(17.74)	-	-	-		-	-	-	(17.74)
As at March 31, 2017	1,080.08	1,388.83	1,077.14	35.60	244.28		2.68	(4.68)	74.48	3,898.41
Profit for the year	-	406.69	-	-	-		-	-	-	406.69
Other comprehensive income	-	-	-	-	-		(0.05)	(0.93)	(52.74)	(53.72)
Total comprehensive income for the year	-	406.69	-	-	-		(0.05)	(0.93)	(52.74)	352.97
Dividend paid (including taxes)	-	(73.72)	-	-	-		-	-	-	(73.72)
As at March 31, 2018	1,080.08	1,721.80	1,077.14	35.60	244.28		2.63	(5.61)	21.74	4,177.66

(₹ in Millions)

The accompanying notes forming an integral part of the financial statements

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

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Ashishkumar Bairagra
Partner
Membership No. 109931

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Date : May 29, 2018

Divya Kumart
EVP, Chief Legal Officer
& Company Secretary

Sandeep Mantri
Chief Financial Officer

Cash Flow Statement

for the year ended March 31, 2018

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
A. Cash flow from operating activities		
Profit before tax	523.45	251.98
Adjustments for :		
Depreciation and amortisation expenses	102.33	118.58
Provision for doubtful debts, advances	-	8.32
Provision for diminution in value of investments	-	154.11
Sundry balances written back	-	(0.27)
(Profit) / loss on sale fixed assets (net)	(0.19)	0.19
Finance cost	34.41	38.05
Unrealised gain on fair value of financial assets	(24.88)	(43.05)
Profit on sale of investments	(31.02)	(19.07)
Dividend income	(49.67)	(0.28)
Interest income	(4.98)	(12.93)
Operating profit before working capital changes	549.45	495.63
Adjustments for :		
Increase in trade receivables	(248.57)	(132.28)
Decrease / (Increase) in loans	9.91	(6.75)
Increase in other financial and non-financial assets	(75.49)	(152.68)
Increase in trade payables	0.14	134.99
Increase in other financial and non-financial liabilities	24.19	10.15
Cash generated from operations	259.63	349.06
Direct taxes paid (net)	(97.49)	(51.88)
Net cash flow from operating activities (A)	162.14	297.18
B. Cash flow from investing activities		
Purchase of fixed assets / capital work-in-progress	(117.21)	(121.17)
Sale of fixed assets	9.23	3.80
Payment towards acquisition of subsidiary	(391.00)	(330.00)
Purchase / Sale of long-term investments	45.97	119.96
Proceeds from buyback of preference shares in subsidiaries	50.00	112.52
Purchase / Sale of current investments	278.02	84.35
Dividend received	49.67	0.28
Interest received	4.83	13.66
Net cash flow used in investing activities (B)	(70.49)	(116.60)
C. Cash flow from financing activities		
Repayment of long-term borrowings	(349.83)	(170.70)
Proceeds from short-term borrowings	319.60	58.71
Dividend paid	(73.72)	(17.74)
Interest paid	(34.41)	(38.05)
Net cash flow used in financing activities (C)	(138.36)	(167.78)
Net cash flow during the year (A+B+C)	(46.71)	12.80
Cash and cash equivalents at the beginning of the year	114.82	135.94
Exchange difference on translation of foreign currency cash and cash equivalents	9.93	(33.92)
Net cash and cash equivalents at the end of the year	78.04	114.82

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

For and on behalf of the Board

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Ashishkumar Bairagra
Partner
Membership No. 109931

R. K. Saraswat
DIN 00015095
Director

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Date : May 29, 2018

Divya Kumat
EVP, Chief Legal Officer
& Company Secretary

Sandeep Mantri
Chief Financial Officer

Notes to the Financial Statements

as at March 31, 2018

1. Significant accounting policies

a) Company Overview

Datamatics Global Services Limited (DGSL) having CIN L72200MH1987PLC045205 was incorporated on November 3, 1987 as Interface Software Resources Private Limited. The name of the Company was changed to Datamatics Technologies Private Limited on December 18, 1992. On December 27, 1999, the Company converted itself from a Private Limited Company into a Public Limited Company and the name of the Company was changed to Datamatics Technologies Limited on January 13, 2000. The name of the Company was changed from "Datamatics Technologies Limited" to "Datamatics Global Services Limited" (DGSL) with effect from January 17, 2009. The Company is incorporated in Maharashtra, India and is listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India.

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

b) Significant Accounting Policies

i) Basis of Preparation of Financial Statements:

Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (IndAS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

First-time adoption: In accordance with Ind AS 101 on First-time adoption of Indian Accounting

Standards, the Company's first Ind AS financial statements include, three balance sheets viz. the opening balance sheet as at 1st April, 2016 and balance sheets as at 31st March, 2017 and 31st March, 2018 and two statements each of profit and loss, cash flows and changes in equity for the years ended 31st March, 2017 and 31st March, 2018 together with related notes. The same accounting policies have been used for all periods presented.

These financial statements are the first financial statements of the company under Ind AS. Refer note 52 for an explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows.

ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- * certain financial assets and liabilities (including derivative instruments) which is measured at fair value;
- * defined benefit plans – plan assets measured at fair value

c) Use of Estimates

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

d) Foreign currency translation

i) Functional and presentation currency

The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

ii) Transactions and balances

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

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Monetary items denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the balance sheet date. Non-monetary assets and non-monetary liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction.

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

e) Revenue recognition

Revenue 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.

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.

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

f) Income tax

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

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

In the situations where Company is entitled to a tax holiday under the Income Tax Act, 1961 enacted in India, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each balance sheet date unrecognized deferred tax assets are re-assessed. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternate Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the Guidance Note on Accounting for credit available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.

Dividend distribution tax paid on the dividends is recognised consistently with the presentation of the transaction that creates the income tax consequence. Dividend distribution tax is recognised in equity.

g) Leases

As a lessee

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

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

h) Cash and cash equivalents

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

i) Cash Flow Statement

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

j) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

k) Investments and other financial assets

i) Classification

The company classifies its financial assets in the following measurement categories:

* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and

* those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The company reclassifies debt investments when and only when its business model for managing those assets changes.

ii) Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

* Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

* Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

* Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The company subsequently measures all equity investments at fair value (except investment in subsidiaries and joint venture which are at amortised cost). Where the company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

iii) Impairment of financial assets

The company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 33 details how the company determines whether there has been a significant increase in credit risk.

For trade receivables only, the company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

iv) Derecognition of financial assets

A financial asset is derecognised only when

* The company has transferred the rights to receive cash flows from the financial asset or

* retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the company has not retained control of the financial asset. Where the company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

v) Income recognition

Interest income

Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company, and the amount of the dividend can be measured reliably.

Notes to the Financial Statements as at March 31, 2018 (Contd.)

l) Derivatives and hedging activities

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

Hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised 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 Other comprehensive income is retained until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Other comprehensive income is transferred to the Statement of Profit and Loss for the year.

m) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis

or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

n) Property, Plant and Equipment

Property, Plant and Equipments are valued at cost, except for certain Property, Plant and Equipments which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance sheet. Direct costs are capitalised until the assets are ready to use and include financing costs relating to any specific borrowing attributable to the acquisition of fixed assets. Capital work-in-progress includes assets not put to use before the year end.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant and equipment is provided on the Straight Line Method except for freehold land as per the useful life and in the manner prescribed in Schedule II to Companies Act, 2013. Leasehold Premises is amortized on the Straight Line Method over the period of 30 years. Leasehold Land is amortized on the Straight Line Method over the period of 75 years.

o) Intangible assets

i) Goodwill

Goodwill on merger of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

ii) Trademarks, copyrights and other rights

Separately acquired Trademarks and copyrights are shown at historical cost. Trademarks, copyrights and noncompete acquired in a business combination are recognised at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortisation and impairment losses.

iii) Computer software

The intangible assets are recorded at cost and are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use.

iv) Other intangible assets

Other intangible assets that do not meet the criteria in (i) to (iii) above are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

v) Amortisation methods and periods

The company amortises intangible assets with a finite useful life using the straight-line method as following :

Particulars	Useful Life
Computer Softwares	3 years
Non-Compete Fees	5 years
Copy Rights	3 years
Trade Mark	3 years
Other Intangibles	3 years

vi) Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognised as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

p) Trade and other payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. The amounts are unsecured. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

q) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

r) Borrowing costs

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

s) Provision, Contingent Liabilities and Contingent Assets

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

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

Contingent Assets are neither recognised nor disclosed.

t) Employee benefits

i) Defined Contribution Plan

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

ii) Defined Benefit Plan

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

u) Contributed equity

Equity shares are classified as equity.

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

v) Earnings per share

In determining Earnings per Share, the Company considers the net profit attributable to company's owners. The number of shares used in computing basic Earnings per Share is the weighted average number of shares outstanding during the period. The number of shares used in computing diluted Earnings per Share comprises the weighted average shares considered for deriving basic Earnings per Share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

w) Standards issued but not effective

On March 28, 2018 the Ministry of Corporate Affairs (MCA) has notified Ind AS 115 - Revenue from contracts with customers and certain amendments to certain existing Ind AS. These amendments will be applicable to the company from April 1, 2018.

i) Issue of Ind AS 115 - Revenue from contracts with customers

Ind AS 115 will supersede the current revenue recognition guidance including Ind AS 18 Revenue, Ind AS 11 Construction contracts and the related interpretations. Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligation.

Notes to the Financial Statements

as at March 31, 2018 *(Contd.)*

- ii) Amendments to existing issued Ind AS
 - Ind AS 21 - The effects of changes in foreign exchange rates
 - Ind AS 40 - Investment property
 - Ind AS 12 - Income taxes
 - Ind AS 28 - Investments in Associates and Joint Ventures
 - Ind AS 112 - Disclosure of interests in Other Entities

Application of above standards are not expected to have any significant impact on the Company's financial statements.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

2. Property, Plant and Equipment

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
Gross block													
As at April 1, 2016	302.85	270.30	174.72	6.91	41.97	11.50	6.27	37.44	13.25	18.65	71.64	955.50	18.00
Additions	-	-	3.19	0.92	13.28	4.05	2.57	46.34	7.96	12.78	5.63	96.72	-
Disposals	-	-	1.03	(4.18)	-	(0.92)	-	2.09	-	-	-	(1.98)	(10.32)
As at March 31, 2017	302.85	270.30	178.94	3.65	55.25	14.63	8.84	85.87	21.21	31.43	77.27	1,050.24	7.68
Additions	-	-	2.49	-	1.71	3.73	1.84	16.99	1.92	0.23	2.27	31.18	2.64
Disposals	-	-	-	-	(0.66)	(2.23)	(0.01)	(0.58)	(1.37)	-	-	(4.85)	-
As at March 31, 2018	302.85	270.30	181.43	3.65	56.30	16.13	10.67	102.28	21.76	31.66	79.54	1,076.57	10.32

Particulars	Land	Leasehold Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipments	Computers	Air Conditioners	Electrical Fittings	Leasehold Improvements	Total	Capital work-in-progress
Accumulated depreciation													
As at April 1, 2016	-	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation charge during the year	-	4.68	6.22	0.65	10.85	3.79	3.48	29.87	3.72	5.91	3.12	72.29	-
Disposals	-	-	0.34	(0.92)	-	(0.92)	-	(0.13)	-	-	-	(1.63)	-
As at March 31, 2017	-	4.68	6.56	(0.27)	10.85	2.87	3.48	29.74	3.72	5.91	3.12	70.66	-
Depreciation charge during the year	-	4.68	5.73	0.68	9.41	3.54	2.28	26.47	3.83	5.17	3.81	65.60	-
Disposals	-	-	-	-	(0.66)	(1.96)	(0.01)	(0.57)	(1.37)	-	-	(4.57)	-
As at March 31, 2018	-	9.36	12.29	0.41	19.60	4.45	5.75	55.64	6.18	11.08	6.93	131.69	-
Net carrying amount as at March 31, 2018	302.85	260.94	169.14	3.24	36.70	11.68	4.92	46.64	15.58	20.58	72.61	944.88	10.32
Net carrying amount as at March 31, 2017	302.85	265.62	172.38	3.92	44.40	11.76	5.36	56.13	17.49	25.52	74.15	979.58	7.68
Net carrying amount as at April 1, 2016	302.85	270.30	174.72	6.91	41.97	11.50	6.27	37.44	13.25	18.65	71.64	955.50	18.00

2.1: Deemed cost as at April 1, 2016 which is the net carrying amount on April 1, 2016 which is tabulated as follows:

Particulars	Gross carrying amount as at April 1, 2016	Reclassification as at April 1, 2016	Accumulated Depreciation as at April 1, 2016	Net carrying amount as at April 1, 2016
Land	607.40	(304.55)	-	302.85
Leasehold Land	-	304.55	34.25	270.30
Buildings	207.60	-	32.88	174.72
Plant & Equipment	11.28	-	4.37	6.91
Furniture & Fixtures	138.02	-	96.05	41.97
Vehicles	28.14	-	16.64	11.50
Office Equipments	36.52	-	30.25	6.27
Computers	269.04	-	231.60	37.44
Air Conditioners	34.30	-	21.05	13.25
Electrical Fittings	53.43	-	34.78	18.65
Leasehold Improvements	75.99	-	4.35	71.64
Total	1,461.72	-	506.22	955.50

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

3. Other Intangible assets

(₹ in Millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill
Gross block							
As at April 1, 2016	-	38.65	29.66	8.35	-	76.66	99.24
Additions	-	38.41	-	-	-	38.41	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2017	-	77.06	29.66	8.35	-	115.07	99.24
Additions	52.78	30.59	-	-	0.02	83.39	-
Disposals	-	-	-	-	-	-	-
As at March 31, 2018	52.78	107.65	29.66	8.35	0.02	198.46	99.24

(₹ in Millions)

Particulars	Other Intangibles	Computer Softwares	Non-Compete Fees	Copy Rights	Trade Mark	Total	Goodwill
Accumulated amortisation and impairment							
As at April 1, 2016	-	-	-	-	-	-	-
Amortisation charge during the year	-	35.16	8.73	2.40	-	46.29	-
As at March 31, 2017	-	35.16	8.73	2.40	-	46.29	-
Amortisation charge during the year	-	28.14	6.70	1.89	-	36.73	-
As at March 31, 2018	-	63.30	15.43	4.29	-	83.02	-
Net carrying amount as at March 31, 2018	52.78	44.35	14.23	4.06	0.02	115.47	99.24
Net carrying amount as at March 31, 2017	-	41.90	20.93	5.95	-	68.79	99.24
Net carrying amount as at April 1, 2016	-	38.65	29.66	8.35	-	76.66	99.24

3.1: Deemed cost as at April 1, 2016 which is the net carrying amount on April 1, 2016 which is tabulated as follows:

(₹ in Millions)

Particulars	Gross carrying amount as at April 1, 2016	Accumulated Depreciation as at April 1, 2016	Net carrying amount as at April 1, 2016
Computer Softwares	263.75	225.10	38.65
Non-Compete Fees	36.00	6.34	29.66
Copy Rights	10.00	1.65	8.35
Total	309.75	233.09	76.66

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

4. Non-current investments

(₹ in Millions)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Investment in debentures - Quoted (at FVTPL)			
As at March 31, 2018: 100, as at March 31, 2017: 100 Units of ₹ 100,000 each of Edelweiss Asset Reconstruction Company Limited - GSEC Linked Non Convertible Debentures	11.89	10.92	-
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 30 debentures of ECL Finance Limited - E6F401 - NCD	-	-	3.05
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 5,000 debentures of ₹ 1,000 each of India Info-line Investment Services Limited @ 11.70%	-	-	5.00
Investment in equity instruments (fully paid-up)			
In subsidiaries - Wholly Owned - unquoted (at cost)			
As at March 31, 2018: 1,000, as at March 31, 2017: 1,000, as at April 1, 2016: 1,000 no par value fully paid common stock in Datamatics Global Services Inc.	644.04	644.04	644.04
As at March 31, 2018: 20,000, as at March 31, 2017: 20,000, as at April 1, 2016: 20,000 fully paid equity shares of Datamatics Infotech Limited of GBP 1 each	1.71	1.71	1.71
As at March 31, 2018: 50,000, as at March 31, 2017: 50,000, as at April 1, 2016: 50,000 fully paid equity shares of Datamatics Global Technologies AG of CHF 1 each	2.26	2.26	2.26
As at March 31, 2018: 1,000,000, as at March 31, 2017: 1,000,000, as at April 1, 2016: 1,000,000 fully paid equity shares of Datamatics Global Technologies Limited of USD 1 each	46.05	46.05	46.05
As at March 31, 2018: 50,000, as at March 31, 2017: 50,000, as at April 1, 2016: 50,000 fully paid equity shares of Datamatics Global Services Pty Limited of AUD 1 each	1.56	1.56	1.56
As at March 31, 2018: 10,028,655 as at March 31, 2017: 10,028,655, as at April 1, 2016: 162,957 fully paid equity shares of Lumina Datamatics Limited of ₹ 10 each	907.60	907.60	577.60
As at March 31, 2018: 50, as at March 31, 2017: 50, as at April 1, 2016: 50 fully paid equity shares of Datamatics Global Services FZ - LLC of AED 1,000 each	0.86	0.86	0.86
As at March 31, 2018: 50,000, as at March 31, 2017: 50,000, as at April 1, 2016: 50,000 equity shares of LD Publishing & eRetail Limited of ₹ 10 each	0.50	0.50	0.50
As at March 31, 2018: Nil, as at March 31, 2017: 2,025,000, as at April 1, 2016: 2,025,000 fully paid equity shares of Datamatics Global Services GmbH of EURO 1 each	-	195.95	130.29
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 300,001 equity shares of Datamatics Technologies UK Limited of GBP 1 each	-	-	23.89

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
In Subsidiaries - Others- Unquoted			
As at March 31, 2018: 3,909,996 fully paid equity shares of Datamatics Digital limited of ₹ 1 each	550.00	-	-
As at March 31, 2018: 428,400, as at March 31, 2017: 428,400, as at April 1, 2016: 428,390 fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each	7.94	7.94	7.94
Investment in preference shares			
Unquoted (at FVTPL)			
In subsidiaries - Wholly Owned			
As at March 31, 2018: 3,450,000, as at March 31, 2017: 3,450,000, as at April 1, 2016: 3,850,000 fully paid Series II & III Non Cumulative Redeemable 8% Preference shares of Datamatics Global Technologies Limited of USD 1 each	134.23	120.34	91.03
As at March 31, 2018: 27,684,847, as at March 31, 2017: 35,921,681, FY 15-16 : 35,921,681 9% Redeemable Preference Shares of Lumina Datamatics Limited of ₹ 10 each	161.06	208.49	312.00
Investment in equity instruments (fully paid-up)			
Quoted (at FVOCI)			
As at March 31, 2018: 13,676, as at March 31, 2017: 6,838, as at April 1, 2016: 6,838 fully paid Equity Shares of ₹ 2 each of Wipro Limited	3.85	3.53	3.85
As at March 31, 2018: 5,000, as at March 31, 2017: 5,000, as at April 1, 2016: 5,000 fully paid Equity Shares of ₹ 1 each of Vikas WSP Limited	0.06	0.05	0.03
As at March 31, 2018: 800, as at March 31, 2017: 400, as at April 1, 2016: 400 fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Limited	0.59	0.51	0.48
As at March 31, 2018: 8,998, as at March 31, 2017: 8,998, as at April 1, 2016: 8,998 fully paid Equity Shares of ₹ 10 each of Coal India Limited	2.56	2.63	2.63
As at March 31, 2018: 38,767, as at March 31, 2017: 38,767, as at April 1, 2016: 38,767 fully paid Equity Shares of ₹ 10 each of Powergrid Corporation	7.51	7.64	5.39
As at March 31, 2018: 5,000, as at March 31, 2017: 5,000, as at April 1, 2016: 5,000 fully paid Equity Shares of ₹ 2 each of Axis Bank Limited	2.55	2.45	2.22
As at March 31, 2018: 1,200, as at March 31, 2017: 1,200, as at April 1, 2016: 1,200 fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Limited	2.36	1.89	1.46
As at March 31, 2018: 900, as at March 31, 2017: 900, as at April 1, 2016: 900 fully paid Equity Shares of ₹ 10 each of Cybertech Limited	0.05	0.07	0.03

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
As at March 31, 2018: 35,200, as at March 31, 2017: 35,200, as at April 1, 2016: 35,200 fully paid Equity Shares of ₹ 10 each of Global Offshore Services Limited	0.73	6.47	6.47
Investment in mutual funds			
Quoted (at FVTPL)			
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of Birla Sun Life Fixed Term Plan - Series GI - Growth (Face Value of ₹ 10 each)	-	-	13.08
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of Reliance FHF XXIV Series 3 - Growth (Face Value of ₹ 10 each)	-	-	12.71
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of TATA Fixed Maturity Plan Series - 43 Scheme A - Growth (Face Value of ₹ 10 each)	-	-	12.70
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,000,000 Units of ICICI Prudential Fixed Maturity Plan - Series 69 - Plan A (Face Value of ₹ 10 each)	-	-	12.72
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 2,500,000 Units of Reliance FHF XXIV Series 11 - Growth (Face Value of ₹ 10 each)	-	-	31.74
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 2,500,000 units of Birla Sun Life Interval Income fund - Annual Plan-X-Growth (Face Value of ₹ 10 each)	-	-	31.49
As at March 31, 2018: Nil, as at March 31, 2017: 2,322,330, as at April 1, 2016: 2,322,330 Units of HDFC Short Term opportunities fund - Growth (Face Value of ₹ 10 each)	-	38.36	38.36
As at March 31, 2018: Nil, as at March 31, 2017: 2,000,000, as at April 1, 2016: 2,000,000 Units of ICICI Prudential FMP Series73 - Plan E Growth (Face Value of ₹ 10 each)	-	24.33	24.33
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 58,813 Units of HDFC Prudence Fund - Growth (Face Value of ₹ 10 each)	-	-	12.06
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 893,974 Units of Birla Sun Life India Reforms Fund Growth (Face Value of ₹ 10 each)	-	-	11.78
As at March 31, 2018: Nil, as at March 31, 2017: 1,018,717, as at April 1, 2016: 1,018,717 Units of IIFL Income opportunities fund - AIF - Growth (Face Value of ₹ 0.8916 each)	-	0.67	1.68
Less: Provision for diminution in value of investment	-	(200.89)	-
Total	2,489.96	2,035.93	2,072.99
Aggregate amount of quoted investments	32.15	99.52	233.26
Aggregate amount of unquoted investments	2,457.81	1,936.41	1,839.73

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

5. Non Current Loans

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, considered Good, unless specified otherwise)			
Loan to Employees	2.96	5.27	5.99
Total	2.96	5.27	5.99

6. Other non-current financial assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Reimbursable Custom Duty	3.86	-	-
Security deposits	42.15	42.19	41.27
Fair value of outstanding forward contracts (FVOCI)	-	6.44	12.09
Fair value of outstanding corporate guarantees (FVTPL)	17.48	19.88	19.88
Total	63.49	68.51	73.24

7. Other non-current assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Prepaid expenses	2.83	6.21	0.32
Balance with govt authorities	9.71	6.03	10.00
Total	12.54	12.24	10.32

8. Current investments

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Investment in mutual funds			
Quoted (at FVTPL)			
As at March 31, 2018: 1,960,938, as at March 31, 2017: 2,166,507 units of Templeton India Low Duration Fund - Growth (Face Value of ₹ 10 each)	39.17	40.00	-
As at March 31, 2018: 375,340, as at March 31, 2017: 742,026 Units of IDFC Corporate Bond Fund - Growth (Face Value of ₹ 10 each)	4.46	4.00	-
As at March 31, 2018: 133,518, as at March 31, 2017: 133,518 units of TATA Short Term Bond Fund - Growth (Face Value of ₹ 10 each)	4.48	4.00	-
As at March 31, 2018: 205,925, as at March 31, 2017: Nil, as at April 1, 2016: Nil units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	13.64	-	-
As at March 31, 2018: 175,039, as at March 31, 2017: Nil, as at April 1, 2016: Nil Units of ICICI Prudential Liquid - Reg-Growth (Face Value of ₹ 100 each)	44.88	-	-

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
As at March 31, 2018: Nil, as at March 31, 2017: 8,730, as at April 1, 2016: 8,730 Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each)	-	29.56	26.60
As at March 31, 2018: Nil, as at March 31, 2017: 660,925, as at April 1, 2016: 660,925 Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each)	-	15.21	13.80
As at March 31, 2018: Nil, as at March 31, 2017: 986,236, as at April 1, 2016: 986,236 Units of ICICI Prudential Short Term Regular Plan - Growth (Face Value of ₹ 10 each)	-	33.69	30.53
As at March 31, 2018: Nil, as at March 31, 2017: 688,435, as at April 1, 2016: 418,520 units of Birla Sun Life Short Term Fund - Growth (Face Value of ₹ 10 each)	-	30.09	22.87
As at March 31, 2018: Nil, as at March 31, 2017: 58,313, as at April 1, 2016: 342,037 Units of ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	-	14.00	76.57
As at March 31, 2018: Nil, as at March 31, 2017: 490,259, as at April 1, 2016: 490,259 Units of HDFC Corporate Debt Opportunities Fund -Reg Growth (Face Value of ₹ 10 each)	-	6.65	6.02
As at March 31, 2018: Nil, as at March 31, 2017: 1,284,891, as at April 1, 2016: 1,284,891 Units of Birla Sun Life Short Term Opportunities Fund Growth (Face Value of ₹ 10 each)	-	34.98	31.86
As at March 31, 2018: Nil, as at March 31, 2017: 35,689 units of UTI Treasury Advantage Fund - IP - Growth (Face Value of ₹ 1,000 each)	-	80.07	-
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 1,950,054 Units of Templeton India Ultra Shrt Bond Fund Super-IP-Growth (Face Value of ₹ 10 each)	-	-	39.64
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 122,737 Units of Birla Sunlife Saving fund - Growth (Face Value of ₹ 100 each)	-	-	35.94
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 645,615 Units of Reliance Medium Term Fund - Direct Plan Growth Plan - Growth (Face Value of ₹ 10 each)	-	-	20.49
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 107,636 Units of ICICI Prudential Flexible Income - Regular Plan - Growth (Face Value of ₹ 100 each)	-	-	30.81
As at March 31, 2018: Nil, as at March 31, 2017: Nil, as at April 1, 2016: 393,749 Units of HDFC Floating Rate Income Fund - STF - WP - Growth (Face Value of ₹ 10 each)	-	-	10.25
Advance towards Investments in Liquid Mutual Funds			
ICICI Prudential Liquid - Reg- Growth (Face Value of ₹ 100 each)	-	40.00	-
Total	106.63	332.25	345.38
Aggregate amount of quoted investments	106.63	332.25	345.38
Aggregate amount of unquoted investments	-	-	-

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

9. Trade receivables

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unsecured (refer Note no. 35)			
Considered Good	930.37	681.80	549.52
Considered doubtful	117.56	123.57	127.17
	1,047.93	805.37	676.69
Less :- Allowance for Expected Credit Loss	117.56	123.57	127.17
Total	930.37	681.80	549.52

10. Cash and cash equivalents

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Bank balances	75.99	111.78	135.06
Cash on hand	2.05	3.04	0.69
Cheque in Hand	-	-	0.19
Total	78.04	114.82	135.94

11. Other bank balances

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Margin money deposits*	5.58	2.58	2.29
Unpaid dividend account**	1.87	1.42	8.13
Total	7.45	4.00	10.42

* Of the above ₹ 5.58 million (As at March 31, 2017: ₹ 2.58 million, As at April 1, 2016: ₹ 2.29 million) are marked as lien for guarantees issued by banks on behalf of the company.

** The company can utilise balances only towards settlement of the unpaid dividend.

12. Current Loans

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, considered Good, unless specified otherwise)			
Loan to employees	0.12	0.72	0.25
Other loans and advances			
- Considered good	-	7.00	-
- Considered doubtful	-	-	7.00
- Less: Provision for bad and doubtful advances	-	-	(7.00)
Total	0.12	7.72	0.25

13. Other current financial assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Other deposits	3.58	2.50	3.40
Interest accrued	0.22	0.07	0.80
Advance to related parties and others	43.27	76.82	16.24
Fair Value of Outstanding Forward Contracts (FVOC)	6.65	79.06	41.56
Unbilled Revenue	271.95	165.81	55.36
Total	325.67	324.26	117.36

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

14. Other current assets

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Advance to Vendors	5.65	0.44	15.77
Prepaid expenses	28.88	32.11	18.72
Balance with govt authorities	-	1.76	19.93
Other assets	0.02	0.14	0.32
Total	34.55	34.45	54.74

15. Share capital and other equity

15.(a) Equity share capital

(i) Authorised share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at April 1, 2016	100,000,000	500.00
Increase during the year	-	-
As at March 31, 2017	100,000,000	500.00
Increase during the year	-	-
As at March 31, 2018	100,000,000	500.00

Authorised redeemable preference share capital of face value of ₹ 10 each

Particulars	Number of shares	₹ in Millions
As at April 1, 2016	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2017	45,550,000	455.50
Increase during the year	-	-
As at March 31, 2018	45,550,000	455.50

Issued, Subscribed and Paid-up equity share capital of face value of ₹ 5 each

Particulars	Number of shares	₹ in Millions
As at April 1, 2016	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2017	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2018	58,949,337	294.75

(ii) Movements in equity share capital

Particulars	Number of shares	₹ in Millions
As at April 1, 2016	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2017	58,949,337	294.75
Increase during the year	-	-
As at March 31, 2018	58,949,337	294.75

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(iii) Shares of the company held by holding company

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
31,813,742 (31,813,742) Equity shares of ₹ 5 held by Delta Infosolutions Private Limited	159.07	159.07	159.07

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

Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	Number of shares	% Holding	Number of shares	% Holding	Number of shares	% Holding
Delta Infosolutions Private Limited	31,813,742	53.97%	31,813,742	53.97%	31,813,742	53.97%
Lalit Surajmal Kanodia	3,530,995	5.99%	3,530,995	5.99%	3,530,995	5.99%
Asha Lalit Kanodia	3,605,258	6.12%	3,605,258	6.12%	3,605,258	6.12%

(iv) Terms / rights attached to equity shares

The Company, at present, has one class of equity shares having a par value of ₹ 5 per share. Each shareholder is eligible for one vote per share held. The voting rights on Unclaimed Suspense Account shares are frozen till the rightful owner of such shares claims the shares. The Company declares and pays dividend in Indian Rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes. The final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders. The Board of Directors, in their meeting held on May 29, 2018 proposed a 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 August 14, 2018. The total dividend declared for the year ended March 31, 2018 amounted to ₹ 44.21 million and corporate dividend tax of ₹ 9.05 million.

15.(b) Other Equity

(₹ in Millions)

Particulars		March 31, 2018	March 31, 2017	April 1, 2016
Securities premium reserve	Refer Note (i) below	1,080.08	1,080.08	1,080.08
Retained earnings		1,721.80	1,388.83	1,158.72
General reserve	Refer Note (ii) below	1,077.14	1,077.14	1,077.14
Capital reserve	Refer Note (iii) below	35.60	35.60	35.60
Capital redemption reserve	Refer Note (iv) below	244.28	244.28	244.28
OCI -				
Equity investments	Refer Note (v) below	2.68	2.68	-
Actuarial gains and losses		(5.61)	(4.68)	-
Cash flow hedging reserve	Refer Note (vi) below	21.66	74.48	53.65
Total		4,177.66	3,898.41	3,649.47

Nature of reserves

(i) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(ii) General Reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

(iii) Capital Reserve

Capital reserve created on the merger of one of the subsidiaries with the company.

(iv) Capital Redemption Reserve

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve.

(v) OCI - Equity investments

The company recognises unrealised and realised gain on equity shares in FVOCI - Equity investments.

(vi) OCI - Cash Flow Hedging Reserve

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

16. Non-current borrowings

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Term Loans			
From Bank * (Secured)	-	79.81	249.03
From directors ** (Unsecured) (Refer Note no. 35)	-	-	100.00
Total	-	79.81	349.03

* External Commercial Borrowings from Citibank N.A. is secured by way of creation of mortgage and exclusive charge in favour of Citibank N.A. ("the Security Trustee") by deposit of title deeds with the bank, in respect of its immovable properties being all the piece and parcel of the land bearing Plot No. 58 in MIDC at Mumbai and 2nd Floor and 3rd Floor in Suyojit Commercial Complex, at Nashik. Terms of Repayment: Repayable in 15 equal quarterly installments of USD 0.62 million starting from January 2015 upto July 2018. Rate of Interest: Libor plus 3.00%

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

17. Other non-current financial liabilities

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Creditor for capital expenditure	0.55	0.64	0.34
Fair value of outstanding corporate guarantees (FVTPL)	17.48	19.88	19.88
Fair Value of Outstanding Forward Contracts (FVOCI)	1.80	-	-
Fair Value of contingent consideration	159.00	-	-
Total	178.83	20.52	20.22

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

18. Non-current Provisions

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unfunded (Refer Note no. 39)			
Provisions for employee benefits			
Gratuity	68.49	55.20	49.32
Leave Encashment	33.01	36.82	30.10
Total	101.50	92.02	79.42

19. Current borrowings

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Working capital loan			
From Banks (Secured)	463.93	144.33	85.62
Total	463.93	144.33	85.62

Working capital loans from Standard Chartered Bank, ICICI Bank and Citibank N.A. are secured by way of first pari passu charge on hypothecation of stock, book debts and movable property, plant and equipments of the Company, both, past and present.

Term loan from Citicorp Finance (India) Limited (Bank) is secured by way of creation of mortgage and exclusive charge in favour of 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. Term - 3 years

Repayment terms - 8 Equated Quarterly Instalments of principal (together with interest) after 15 months from the date of first draw down. Loan shall always be repayable on demand at the sole discretion of the bank hence considered as current borrowings.

20. Trade payables

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Dues of Micro and small enterprises (Refer Note no. 48)	-	-	-
Dues other than Micro and small enterprises	308.95	308.81	173.82
Total	308.95	308.81	173.82

21. Other current financial liabilities

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current Maturities of long term borrowings	-	270.02	164.30
Unclaimed Dividend	1.87	1.45	8.16
Other payables	6.58	6.58	8.01
Total	8.45	278.05	180.47

Dividend ₹ 0.26 million (₹ 0.33 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, 2018.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

22. Current provisions

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unfunded (Refer Note no. 39)			
Provisions for employee benefits			
Gratuity	6.14	3.75	3.57
Leave Encashment	13.13	12.41	9.84
Total	19.27	16.16	13.41

23. Other current liabilities

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Statutory dues (net)	44.48	27.29	32.08
Advance from customers	-	1.00	1.19
Unearned Revenue	7.76	10.28	2.66
Total	52.24	38.57	35.93

24. Revenue from operations

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Export sales	2,216.17	2,105.86
Sales -domestic	1,162.33	951.26
Total	3,378.50	3,057.12

25. Other income

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Interest received	4.98	12.93
Dividend received	49.67	0.28
Profit on sale of investments	31.02	19.07
Guarantee fees received	2.46	3.97
Profit on sale of assets	0.19	-
Unrealised gain on fair value of financial assets	24.88	43.05
Exchange gain	103.24	110.94
Miscellaneous receipts	9.99	2.72
Total	226.43	192.96

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

26. Operational expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Purchase of IT Products and Licenses	49.43	11.88
Total	49.43	11.88

27. Employee benefit expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Basic Salary, Wages & Allowances	1,854.29	1,687.39
Contribution towards PF & Other funds (Refer Note No. 39)	94.00	87.98
Staff Welfare	52.39	52.12
Total	2,000.68	1,827.49

28. Finance costs

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Interest on loan from banks	25.46	22.55
Interest on loan others	4.56	15.50
Other finance charges	4.39	-
Total	34.41	38.05

29. Depreciation and amortisation expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Depreciation on property plant and equipment	65.60	72.29
Amortisation on intangible assets	36.73	46.29
Total	102.33	118.58

30. Other expenses

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
IT Infrastructure & Development Cost	21.54	67.97
Technical fees	159.49	126.43
Outsourcing cost	10.65	15.63
Vendor charges	58.73	54.38
Link Charges	19.07	15.37
Software Maintenance expenses	47.37	12.61
Recruitment charges	27.09	15.35
Travelling expenses	234.50	234.30

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Rent	52.47	49.63
Electricity expenses	64.04	65.31
Water charges	2.04	1.59
Communication charges	14.98	17.20
Rates & Taxes	12.77	15.12
Insurance	3.18	3.05
Repairs & Maintenance expenses	27.12	26.83
Hire charegs	12.64	12.76
Legal & Professional expenses	68.14	53.72
Board Sitting Fees	0.73	0.70
Audit fees (Refer Note No. 43)	4.43	3.34
Security charges	13.46	11.74
Subscription expenses	9.03	7.19
Sales commission	0.99	0.50
Vehicle expenses	5.01	5.22
Printing & Stationery	4.01	5.71
Entertainment Expenses	4.68	3.78
Bank charges	2.95	2.25
Sales promotion	6.35	5.98
Bad debts	3.06	-
Provision for doubtful debts, advances and investment	-	8.32
Loss on sale of assets	-	0.19
CSR Expenses	1.48	2.03
Miscellaneous expenses	2.63	3.79
Total	894.63	847.99

31. Taxation

31.(a) Income tax expense

(₹ in Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Current tax		
Current tax on profits for the year	71.62	90.53
Adjustments for current tax of prior periods	2.45	(3.33)
Total current tax expense	74.07	87.20
Deferred tax		
Decrease/(increase) in deferred tax assets	42.69	(83.07)
(Decrease)/increase in deferred tax liabilities	-	-
Total deferred tax expense/(benefit)	42.69	(83.07)
Income tax expense	116.76	4.13

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

31.(b) Reconciliation of tax expense and accounting profit multiplied by statutory tax rates

(₹ in Millions)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit for the year	522.85	251.98
Statutory tax rate applicable to Datamatics Global Services Limited	34.61%	34.61%
Tax expense at applicable tax rate	180.95	87.21
Tax effects of:		
Income taxed at higher/ (lower) rates	5.14	6.30
Amounts which are not deductible (taxable)	(13.12)	(28.92)
Income exempt from tax	(33.12)	(23.71)
Adjustments for current tax of prior periods	2.45	(3.33)
Basis difference that will reverse during tax holiday period	(0.04)	(2.29)
Indexation	(7.46)	3.13
Previously unrecognised tax losses now recouped to reduce current tax expense	(11.22)	(22.72)
Other	(6.82)	(11.54)
Income tax expense	116.76	4.13

31.(c) Deferred tax assets

(₹ in Millions)

Particulars	April 1, 2016	Movement	March 31, 2017	Movement	March 31, 2018
Deferred Tax Assets					
Employee Benefits	18.71	9.02	27.73	9.99	37.73
Provision for doubtful debts	44.01	(2.24)	41.77	0.27	42.04
Investment In Subsidiaries	174.80	62.39	237.19	(62.27)	174.91
MAT Credit	105.77	1.38	107.15	(19.64)	87.50
Others	11.95	2.29	14.24	1.91	16.16
Total Deferred Tax Assets	355.24	72.84	428.08	(69.74)	358.34
Deferred Tax Liabilities					
Depreciation	29.77	(13.78)	15.99	2.27	18.26
Unrealised gain on securities carried at fair value through profit or loss / other comprehensive income	10.48	2.14	12.62	(9.52)	3.10
Cash Flow Hedging	-	11.02	11.02	(27.91)	(16.89)
Others	0.37	(0.15)	0.21	(0.16)	0.05
Total Deferred Tax Liabilities	40.62	(0.77)	39.84	(35.32)	4.52
Net Deferred Tax	314.62	73.62	388.24	(34.42)	353.82

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

32. Fair value measurements

Financial instruments by category

(₹ in Millions)

	March 31, 2018			March 31, 2017			April 1, 2016		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets									
Investments									
- Mutual funds	106.63	-	-	395.61	-	-	548.03	-	-
- Debentures	11.89	-	-	10.92	-	-	8.05	-	-
- Equity instruments	-	20.26	2,162.52	-	25.24	1,607.58	-	22.56	1,436.70
- Preference shares	295.29	-	-	328.83	-	-	403.03	-	-
Trade receivables	-	-	930.37	-	-	681.80	-	-	549.52
Cash and cash equivalents	-	-	78.04	-	-	114.82	-	-	135.94
Bank balances other than Cash and cash equivalents	-	-	7.45	-	-	4.00	-	-	10.42
Security deposit	-	-	45.73	-	-	44.69	-	-	44.67
Fair value of outstanding forward contracts	-	6.65	-	-	85.50	-	-	53.65	-
Fair value of outstanding corporate guarantees	17.48	-	-	19.88	-	-	19.88	-	-
Loan to Employees	-	-	3.08	-	-	5.99	-	-	6.24
Unbilled Revenue	-	-	271.95	-	-	165.81	-	-	55.36
Other receivables	-	-	47.35	-	-	83.89	-	-	17.04
Total financial assets	431.29	26.91	3,546.49	755.24	110.74	2,708.58	978.99	76.21	2,255.89
Financial liabilities									
Borrowings	-	-	463.93	-	-	494.16	-	-	598.95
Trade payables	-	-	308.95	-	-	308.81	-	-	173.82
Fair value of outstanding corporate guarantees	17.48	-	-	19.88	-	-	19.88	-	-
Fair Value of Outstanding Forward Contracts	-	1.80	-	-	-	-	-	-	-
Fair Value of contingent consideration	159.00	-	-	-	-	-	-	-	-
Other payables	-	-	9.00	-	-	8.67	-	-	16.51
Total financial liabilities	176.48	1.80	781.88	19.88	-	811.64	19.88	-	789.28

i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Financial Investments at FVPL				
Mutual funds	106.63	-	-	106.63
Debentures	11.89	-	-	11.89
Preference shares	-	-	295.29	295.29
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
Financial Investments at FVOCI				
Fair value of outstanding forward contracts	6.65	-	-	6.65
Equity instruments	20.26	-	-	20.26
Total financial assets	145.43	-	312.77	458.20
Financial Liabilities				
Fair value of outstanding corporate guarantees	-	-	17.48	17.48
Fair Value of Outstanding Forward Contracts	1.80	-	-	1.80
Fair Value of contingent consideration	-	-	159.00	159.00
Total financial liabilities	1.80	-	176.48	178.28

(₹ in Millions)

Assets and liabilities which are measured at amortised cost At March 31, 2018	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instruments	-	-	2,162.52	2,162.52
Total financial assets	-	-	2,162.52	2,162.52

(₹ in Millions)

Financial assets and liabilities measured at fair value At March 31, 2017	Level 1	Level 2	Level 3	Total
Mutual funds	395.61	-	-	395.61
Debentures	10.92	-	-	10.92
Preference shares	-	-	328.83	328.83
Fair value of outstanding forward contracts	85.50	-	-	85.50
Fair value of outstanding corporate guarantees	-	-	19.88	19.88
Financial Investments at FVOCI				
Equity instruments	25.24	-	-	25.24
Total financial assets	517.27	-	348.71	865.98
Financial Liabilities				
Fair value of outstanding corporate guarantees	-	-	19.88	19.88
Total financial liabilities	-	-	19.88	19.88

(₹ in Millions)

Assets and liabilities which are measured at amortised cost At March 31, 2017	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instruments	-	-	1,607.58	1,607.58
Total financial assets	-	-	1,607.58	1,607.58

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Financial assets and liabilities measured at fair value At April 1, 2016	Level 1	Level 2	Level 3	Total
Mutual funds	548.03	-	-	548.03
Debentures	8.05	-	-	8.05
Fair value of outstanding forward contracts	53.65	-	-	53.65
Fair value of outstanding corporate guarantees	-	-	19.88	19.88
Preference shares	-	-	403.03	403.03
Financial Investments at FVOCI				
Equity instruments	22.56	-	-	22.56
Total financial assets	632.29	-	422.91	1,055.20
Financial Liabilities				
Fair value of outstanding corporate guarantees	-	-	19.88	19.88
Total financial assets	-	-	19.88	19.88

(₹ in Millions)

Assets and liabilities which are measured at amortised cost At April 1, 2016	Level 1	Level 2	Level 3	Total
Financial assets				
Equity instruments	-	-	1,436.70	1,436.70
Total financial assets	-	-	1,436.70	1,436.70

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, mutual funds and forward contracts that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration.

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

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

All of the resulting fair value estimates are included in level 3 except for unlisted equity securities, contingent consideration and indemnification asset, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

(iii) Valuation processes

The carrying amounts of trade receivables, trade payables, capital creditors and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

33. Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables and financial assets.	Aging analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and Trade payable	Maturity analysis, cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Import Payables and Receivables on Indenting services.	Cash flow forecasting Sensitivity analysis	Forward foreign exchange contracts
Market risk – security prices	Investments in equity securities	Sensitivity analysis	Portfolio diversification

The Board provides guiding principles for overall risk management, as well as policies covering specific areas such as credit risk, liquidity risk, and Foreign Exchange Risk effecting business operations. The company's risk management is carried out by the management as per guidelines and policies approved by the Board of Directors.

A) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Credit risk encompasses the direct risk of default, risk of deterioration of creditworthiness as well as concentration risks. The Company is exposed to credit risk from its operating activities (primarily trade receivables), deposits with banks and loans given.

Credit risk management

The company's credit risk mainly from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss based on past data, available information on public domain and experience. Expected credit losses of financial assets receivable are estimated based on historical data of the Company. The company has provisioning policy for expected credit losses. There is no credit risk in bank deposits which are demand deposits. The credit risk is minimum in case of entity / person to whom loan has been given.

The maximum exposure to credit risk as at 31 March 2018, 31 March 2017 and 1 April 2016 is the carrying value of such trade receivables as shown in note 9 of the financials.

Reconciliation of loss allowance provision – Trade receivables

Particulars	₹ In millions
Loss allowance on April 1, 2016	127.17
Changes in loss allowance	(3.60)
Loss allowance on March 31, 2017	123.57
Changes in loss allowance	(6.01)
Loss allowance on March 31, 2018	117.56

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

The company has a policy of providing for expected credit loss of trade receivable outstanding above 1 year.

B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. In addition, the company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

C) Market risk

i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and GBP. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The company's risk management policy is to hedge around 50% to 70% of forecasted receivables for the subsequent 18 months. As per the risk management policy, foreign exchange forward contracts are taken to hedge round 50% to 70% of the forecasted receivables.

a) Foreign currency risk exposure:

Details of foreign currency exposures not covered by derivative instruments as at March 31, 2018 and March 31, 2017 are given below :

Particulars	Currency	Mar-18		Mar-17		Mar-16	
		Foreign Currency	₹ in Millions	Foreign Currency	₹ in Millions	Foreign Currency	₹ in Millions
Receivables	USD	6.78	441.77	3.54	229.72	2.79	185.05
	GBP	1.22	112.53	0.52	41.69	0.87	83.19
	EUR	0.77	62.31	1.21	84.14	0.77	57.74
	CHF	0.51	34.85	0.18	11.60	0.15	10.69
	AUD	0.45	22.47	0.23	11.32	0.13	6.62
	AED	0.08	1.35	0.08	1.34	0.12	2.22
	CAD	0.03	1.30	0.05	2.53	0.11	5.70
	SEK	0.14	1.10	0.30	2.20	-	-
Payables	USD	0.20	12.81	0.73	47.39	0.30	20.17
	EUR	0.01	0.98	0.05	3.28	0.04	2.87
	CHF	0.02	1.68	-	-	0.03	2.26
	GBP	0.04	3.92	-	-	-	-
Loans	USD	1.74	113.40	5.92	383.91	7.49	496.37

Note :

The amount mentioned above included ECB Loan of USD 1.74 million is treated by the Company as natural hedge by assigning future export receivable against repayment of ECB loan and USD receivable till March 31, 2018 against repayment of ECB loan.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

b) Sensitivity

The Company is mainly exposed to changes in USD, GBP, CHF, AUD and Euro. The sensitivity analysis demonstrate a reasonably possible change in USD, GBP, CHF, AUD and Euro exchange rates, with all other variables held constant. 5% appreciation/depreciation of USD, GBP, CHF, AUD and Euro with respect to functional currency of the company will have impact of following (decrease)/increase in Profit & vice versa.

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	31 March 2016
USD	15.78	10.08	16.57
GBP	5.43	2.08	4.16
EUR	3.07	4.04	2.74
CHF	1.66	0.58	0.42
AUD	1.12	0.57	0.33

* Holding all other variables constant

ii) Cash flow and fair value interest rate risk

The company's main interest rate risk arises from long-term borrowings with variable rates, which expose the company to cash flow interest rate risk. company policy is to maintain most of its borrowings at fixed rate using interest rate swaps to achieve this when necessary. During 31 March 2018 and 31 March 2017, the company's borrowings at variable rate were mainly denominated in INR and USD .

The company's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

a) Interest rate risk exposure

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	31 March 2016
Variable rate borrowings	113.93	394.16	498.95
Fixed rate borrowings	350.00	100.00	100.00
Total borrowings	463.93	494.16	598.95

As at the end of the reporting period, the company had the following variable rate borrowings outstanding:

Particulars	March 31, 2018			March 31, 2017			April 1, 2016		
	Weighted average interest rate %	Balance	% of total loans	Weighted average interest rate %	Balance	% of total loans	Weighted average interest rate %	Balance	% of total loans
ECB and PCFC Loans	4.07%	113.93	25%	3.01%	394.16	80%	3.62%	498.95	83%

b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. Other components of equity change as a result of an increase/decrease in the fair value of the cash flow hedges related to borrowings.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Particulars	Impact on profit after tax	
	March 31, 2018	March 31, 2017
Interest rates – increase by 70 basis points (70 bps) *	(0.79)	(2.69)
Interest rates – decrease by 70 basis points (70 bps) *	0.79	2.69

(iii) Price risk

a) Exposure

The company's exposure to equity securities price risk arises from investments held by the company and classified in the balance sheet either as fair value through OCI or at fair value through profit or loss.

To manage its price risk arising from investments in equity securities, the company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the company.

All of the company's equity investments are publicly traded.

34. Capital management

a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders. The primary objective of the Company capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The Company monitors capital using a debt equity ratio and is measured by borrowings divided by total equity. Borrowing includes current maturities of long term borrowings.

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	463.93	494.16	598.95
Total equity	4,472.41	4,193.16	3,944.22
Borrowing to equity ratio	0.10	0.12	0.15

b) Dividends

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(i) Equity shares		
Final dividend for the year ended March 31, 2017 of ₹ 0.75 (March 31, 2017 – Nil) per fully paid share	44.21	-
Interim dividend for the year ended March 31, 2018 of ₹ 0.50 (March 31, 2017 – Nil) per fully paid share	29.47	-
(ii) Dividends not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of ₹ 0.25 per fully paid equity share (March 31, 2017 – ₹ 0.75). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	14.74	44.21

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

35. Related party transactions

A As required under Ind AS 24 – “Related Party Disclosures”, following are details of transactions during the year with the related parties of the Company as defined in Ind AS- 24.

- (i) The Company has entered into transactions in ordinary course of business with related parties at arms length as per details given below:

(A) Subsidiary Companies

Datamatics Global Services Inc.
 Datamatics Global Technologies Limited
 Datamatics Global Technologies AG
 Datamatics Infotech Limited
 LD Publishing & eRetail Limited
 Datamatics Global Services FZ LLC
 Datamatics Global Services Pty. Limited
 Datamatics Global Technologies GmbH (Stepdown Subsidiary)
 Datamatics Robotics Software Inc (Stepdown Subsidiary)
 Datamatics Global Services Corp. (Stepdown Subsidiary)
 Cignex Datamatics Corporation (Stepdown Subsidiary)
 Cignex Datamatics Technologies Limited (Stepdown Subsidiary)
 Cignex Datamatics Inc. (Stepdown Subsidiary)
 Cignex Datamatics Pte. Limited (Stepdown Subsidiary)
 Cignex Datamatics GmbH (Stepdown Subsidiary)
 Cignex Datamatics UK Limited (Stepdown Subsidiary)
 Duo Consulting, Inc. (Stepdown Subsidiary)
 Attune Infocom Private Limited (Stepdown Subsidiary)
 Scalsys Technologies Private Limited (stepdown Subsidiaries) (upto March 31, 2017)
 Lumina Datamatics Limited
 Lumina Datamatics Inc. (Stepdown Subsidiary)
 Lumina Datamatics GmbH (Stepdown Subsidiary)
 LDR eRetail Limited (Stepdown Subsidiary)*
 Lumina Datamatics Assessment and Analytics, LLC (Stepdown Subsidiary)
 Datamatics Digital Limited
 Techjini Inc (Stepdown Subsidiary)

(B) Joint Venture Companies

Cybercom Datamatics Information Solutions Limited
 Elevondata Labs Holdings Inc (upto March 15, 2018)
 Elevondata Labs Private Limited (upto March 15, 2018)
 Elevondata LLC (upto March 15, 2018)

(C) Key Managerial Personnel

Dr. Lalit S. Kanodia, Chairman
 Mr. Rahul L. Kanodia, Vice chairman & CEO
 Mr. Sameer L. Kanodia, Director
 Ms. Divya Kumari, Company Secretary
 Mr. Sandeep Mantri, Chief Financial Officer
 Mr. Siddharth Saboo, Chief Financial Officer (till May 31, 2016)

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

Mrs. Asha L. Kanodia
 Mrs. Aneesha Dalmia
 Mrs. Priyadarshini Kanodia
 Datamatics Staffing Services Limited
 Datamatics Business Solutions Limited

(E) Holding Company

Delta Infosolutions Private Limited

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

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

₹ in Millions

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E		
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	
[A] i	Transactions during the year ended											
	Revenue from operations											
	Datamatics Global Services Inc.											
	Datamatics Global Technologies Limited											
	Datamatics Global Services Pty. Limited											
	Datamatics Infotech Limited											
	Lumina Datamatics Limited											
	Cignex Datamatics Inc.											
	Cignex Datamatics Technologies Limited											
	Datamatics Business Solutions Limited											
ii	Technical fees											
	Datamatics Global Technologies AG											
	Datamatics Global Technologies Limited											
	Datamatics Infotech Limited											
	Cignex Datamatics Technologies Limited											
iii	Outsourcing cost											
	Datamatics Staffing Services Limited											
iv	Expenses incurred by related parties											
	Lumina Datamatics Limited											
	Datamatics Global Services Pty. Limited											
	Cybercom Datamatics Information Solutions Limited											
v	Expenses incurred for related parties											
	Datamatics Global Services Inc.											
	Cignex Datamatics Pte Ltd											
	Lumina Datamatics GmbH											
	Cignex Datamatics Technologies Limited											
	Lumina Datamatics Limited											
	Cignex Datamatics Inc.											
	LDR e-Retail Limited											
	Cybercom Datamatics Information Solutions Limited											
	Datamatics Staffing Services Limited											
vi	Recruitment expenses											
	Datamatics Staffing Services Limited											
vii	Legal and professional fees											
	Datamatics Business Solutions Limited											
	Mrs. Aneesha Dalmia											
viii	Communication expenses											
	Datamatics Business Solutions Limited											

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
ix	Provision for diminution in value of investment										
	Datamatics Global Services GmbH	-	130.29	-	-	-	-	-	-	-	-
		-	130.29	-	-	-	-	-	-	-	-
x	Write off of investment	195.95	23.82	-	-	-	-	-	-	-	-
	Datamatics Technologies UK Limited	-	23.82	-	-	-	-	-	-	-	-
	Datamatics Global Services GmbH	195.95	-	-	-	-	-	-	-	-	-
xi	Managerial remuneration										
	Dr. Lalit S. Kanodia	-	-	-	-	21.32	23.27	-	-	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	7.31	6.38	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	9.93	9.79	-	-	-	-
		-	-	-	-	4.08	7.10	-	-	-	-
xii	Salaries and allowances										
	Ms. Divya Kumat	-	-	-	-	14.68	10.31	2.74	2.60	-	-
	Mr. Sandeep Mantri	-	-	-	-	7.83	6.41	-	-	-	-
	Mr. Siddharth B. Saboo	-	-	-	-	6.85	2.10	-	-	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	1.80	-	-	-	-
		-	-	-	-	-	-	2.74	2.60	-	-
xiii	Commission										
	Dr. Lalit S. Kanodia	-	-	-	-	9.98	6.50	0.15	0.15	-	-
	Mr. Rahul L. Kanodia	-	-	-	-	4.99	3.25	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.15	0.15	-	-
xiv	Board sitting fees										
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	0.13	0.13	-	-
xv	Purchase of Property, plant and equipment										
	Lumina Datamatics Limited	-	2.88	-	-	-	-	0.57	-	-	-
	Mrs. Aneesha Dalmia	-	-	-	-	-	-	0.57	-	-	-
xvi	Corporate guarantee fees	1.46	2.97	1.00	1.00	-	-	-	-	-	-
	Datamatics Global Services Inc.	0.50	2.01	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	0.96	0.96	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	1.00	1.00	-	-	-	-	-	-
xvii	Rent income	-	5.71	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	-	5.71	-	-	-	-	-	-	-	-
xviii	Dividend income	-	-	49.27	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	49.27	-	-	-	-	-	-	-
xix	Interest expenses	-	-	-	-	3.32	6.55	1.24	2.45	-	-
	Dr. Lalit S. Kanodia	-	-	-	-	1.04	2.05	-	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	2.28	4.50	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	-	-	1.24	2.45	-	-

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Sr. No.	Particulars	(i) A		(i) B		(i) C		(i) D		(i) E	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
xx	Repayment of borrowings during the year										
	Dr. Lalit S. Kanodia	-	-	-	-	72.80	-	27.20	-	-	-
	Mr. Sameer L. Kanodia	-	-	-	-	22.80	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	50.00	-	27.20	-	-	-
xxi	Dividend Paid										
	Dr. Lalit S. Kanodia	-	-	-	-	5.88	-	5.98	-	39.77	-
	Mr. Sameer L. Kanodia	-	-	-	-	4.04	-	-	-	-	-
	Mrs. Asha L. Kanodia	-	-	-	-	1.84	-	-	-	-	-
	Mrs. Priyadarshini Kanodia	-	-	-	-	-	-	4.13	-	-	-
	Delta Infosolutions Private Limited	-	-	-	-	-	-	1.85	-	39.77	-
xxii	Loans and advances refunded during the year										
	Datamatics Infotech Limited	37.09	38.94	0.01	0.03	-	-	0.48	-	-	-
	Datamatics Global Services FZ-LLC	0.04	3.34	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	24.80	35.18	-	-	-	-	-	-	-	-
	Datamatics Global Services Inc.	0.02	0.38	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc	1.39	0.04	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	3.16	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	1.51	-	-	-	-	-	-	-	-	-
	LDR e-Retail Limited	5.64	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	0.53	-	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	0.01	0.03	-	-	0.48	-	-	-
xxiii	Loans and advances given during the year										
	Datamatics Global Services Inc.	31.09	55.57	0.06	0.26	-	-	2.00	0.48	-	-
	Datamatics Infotech Limited	2.79	8.74	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	5.07	3.78	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.68	0.68	-	-	-	-	-	-	-	-
	Datamatics Global Services FZ-LLC	4.90	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	17.58	37.97	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	0.07	3.09	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	1.31	-	-	-	-	-	-	-	-
	Datamatics Staffing Services Limited	-	-	0.06	0.26	-	-	2.00	0.48	-	-
xxiv	Investment in capital of subsidiaries										
	Lumina Datamatics Limited	391.00	642.50	-	-	-	-	-	-	-	-
	Datamatics Digital Limited	-	642.00	-	-	-	-	-	-	-	-
	LD Publishing & eRetail Limited	391.00	-	-	-	-	-	-	-	-	-
xxv	Redemption of preference shares										
	Datamatics Global Technologies Limited	50.03	112.53	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	-	18.33	-	-	-	-	-	-	-	-
		50.03	94.20	-	-	-	-	-	-	-	-

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Sr. No.	Particulars	(i) A				(i) B				(i) C				(i) D				(i) E			
		2017-18	2016-17	2015-16		2017-18	2016-17	2015-16		2017-18	2016-17	2015-16		2017-18	2016-17	2015-16		2017-18	2016-17	2015-16	
i	Balance as at March 31																				
	Loans and advances receivable	30.89	36.24	16.24		0.32	0.41			11.30	85.85	82.53		0.04	31.30						
	Datamatics Global Services Inc.	10.92	9.52	0.89		-	-			-	-	-		-	-			-	-	-	
	Cignex Datamatics Inc	-	3.09	-		-	-			-	-	-		-	-			-	-	-	
	Cignex Datamatics Pre. Limited	0.02	-	-		-	-			-	-	-		-	-			-	-	-	
	Cignex Datamatics Technologies Limited	-	1.51	-		-	-			-	-	-		-	-			-	-	-	
	Datamatics Global Services FZ-LLC	7.59	14.81	11.83		-	-			-	-	-		-	-			-	-	-	
	Datamatics Infotech Limited	6.09	1.06	1.01		-	-			-	-	-		-	-			-	-	-	
	Datamatics Global Services Pty. Limited	0.93	0.29	-		-	-			-	-	-		-	-			-	-	-	
	Lumina Datamatics GmbH	0.05	-	-		-	-			-	-	-		-	-			-	-	-	
ii	Lumina Datamatics Limited	5.29	5.96	2.51		-	0.13			-	-	-		-	-			-	-	-	
	LDR e-Retail Limited	-	-	-		-	0.28			-	-	-		-	-			-	-	-	
	Cybercom Datamatics Information Solutions Limited	-	-	-		0.32	-			-	-	-		-	-			-	-	-	
	Payables	6.30	11.33	10.43		-	0.22			11.30	85.85	82.53		0.04	31.30			-	-	-	
	Datamatics Infotech Limited	3.92	-	-		-	-			-	-	-		-	-			-	-	-	
	Datamatics Global Technologies AG	0.80	-	-		-	-			-	-	-		-	-			-	-	-	
	Datamatics Global Services GmbH	-	3.07	1.85		-	-			-	-	-		-	-			-	-	-	
	Datamatics Global Technologies Limited	1.58	7.13	7.04		-	-			-	-	-		-	-			-	-	-	
	Cignex Datamatics Technologies Limited	-	0.40	0.18		-	-			-	-	-		-	-			-	-	-	
	Lumina Datamatics Limited	-	0.73	1.36		-	-			-	-	-		-	-			-	-	-	
	Cybercom Datamatics Information Solutions Limited	-	-	-		-	0.22			-	-	-		-	-			-	-	-	
	Dr. Lalit S. Kanodia	-	-	-		-	-			4.99	28.10	27.53		-	-			-	-	-	
	Mr. Rahul L. Kanodia	-	-	-		-	-			4.99	3.25	4.50		-	-			-	-	-	
	Mr. Sameer L. Kanodia	-	-	-		-	-			1.32	54.50	50.50		-	-			-	-	-	
	Mrs. Asha L. Kanodia	-	-	-		-	-			-	-	-		-	-			-	-	-	
	Mrs. Aneasha Dalmia	-	-	-		-	-			-	-	-		-	-			-	-	-	
	Datamatics Staffing Services Limited	-	-	-		-	-			-	-	-		-	-			-	-	-	
	Datamatics Business Solutions Limited	-	-	-		-	-			-	-	-		0.04	0.03			-	-	-	

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Sr. No.	Particulars	(i) A			(i) B			(i) C			(i) D			(i) E		
		2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
iii	Receivables	404.69	157.73	141.82	0.15	-	-	-	-	-	1.64	0.35	0.07	-	-	-
	Datamatics Global Services Inc.	253.56	98.43	61.58	-	-	-	-	-	-	-	-	-	-	-	-
	Datamatics Global Services GmbH	-	0.23	0.25	-	-	-	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies Limited	2.29	3.34	1.84	-	-	-	-	-	-	-	-	-	-	-	-
	Datamatics Infotech Limited	122.55	39.01	64.56	-	-	-	-	-	-	-	-	-	-	-	-
	Datamatics Global Services Pty. Limited	4.76	4.48	2.04	-	-	-	-	-	-	-	-	-	-	-	-
	Datamatics Global Technologies GmbH	-	1.85	2.01	-	-	-	-	-	-	-	-	-	-	-	-
	Datamatics Global Solutions GmbH	-	1.60	1.74	-	-	-	-	-	-	-	-	-	-	-	-
	Lumina Datamatics Limited	0.32	0.14	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	19.11	4.92	-	-	-	-	-	-	-	-	-	-	-	-	-
	Datamatics AG	-	2.33	-	-	-	-	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Inc.	2.10	1.40	7.80	-	-	-	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	0.15	-	-	-	-	-	-	-	-	-	-	-
iv	Datamatics Business Solutions Limited	-	-	-	-	-	-	-	-	-	1.64	0.35	0.07	-	-	-
	Guarantees	48.00	145.28	147.38	50.00	50.00	50.00	-	-	-	-	-	-	-	-	-
	Datamatics Global Services Inc.	-	97.28	99.38	-	-	-	-	-	-	-	-	-	-	-	-
	Cignex Datamatics Technologies Limited	48.00	48.00	48.00	-	-	-	-	-	-	-	-	-	-	-	-
	Cybercom Datamatics Information Solutions Limited	-	-	-	50.00	50.00	50.00	-	-	-	-	-	-	-	-	-

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

36. Leases

a) Non-cancellable operating leases

The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other expenses" in Note 30. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

Future lease rentals payable from the balance sheet date in respect of non cancellable residential and office premises:

(₹ in Millions)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Within one year	29.68	14.94	13.93
Later than one year but not later than five years	27.13	11.65	14.19
Later than five years	-	-	-

Rental expense relating to operating leases

(₹ in Millions)		
Particulars	March 31, 2018	March 31, 2017
Total rental expense relating to operating leases	52.47	49.63

Notes:

- (a) Future lease payments are determined on the basis of terms of the lease agreement.
- (b) At the expiry of term of the agreement, the Company has an option either to return the leased asset or extend the term by giving a notice in writing.
- (c) There are no sublease payments as well as no contingent rent.

37. The Company has ₹ 10.94 million (FY 2016-17 ₹ 9.52 million) as outstanding loans and advances (Refer note no. 45 below) and ₹ 646.30 million (FY 2016-17 ₹ 646.30 million) as investment in two 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.

38. Earnings per share

Particulars	March 31, 2018	March 31, 2017
(a) Net Profit after taxation attributable to equity shareholders (₹ in millions)	406.69	247.85
(b) Weighted average number of outstanding equity shares considered for Basic and Diluted EPS (Nos.)	58,949,337	58,949,337
(c) Earnings per share (Nominal value per share ₹ 5 each) Basic and Diluted earnings per share (in ₹) (a/b)	6.90	4.20

39. Employee benefits

The disclosure as required by Ind AS 19 on "Employee Benefits" are given below:

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

Notes to the Financial Statements as at March 31, 2018 (Contd.)

I. Defined Contribution Plan

(₹ in Millions)

	Mar-18	Mar-17
Charge to the Statement of Profit and Loss based on contributions:		
Employers contribution to provident fund	77.80	72.29
Employers contribution to employees' state insurance	13.94	13.20
Employers contribution to employees' pension scheme 1995	1.98	2.28
Employers contribution to labour welfare fund and others	0.28	0.21
Included in contribution to provident fund and other funds (Refer Note No. 28)	94.00	87.98

II. Defined Benefit Plan

i) Movement in Present Value of Obligation

(₹ in Millions)

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Present Value of Obligation as at the beginning	58.95	52.89	49.23	39.94
Current Service Cost	9.72	2.79	6.94	11.08
Interest Expense or Cost	4.22	4.10	3.52	3.06
Re-measurement (or Actuarial) (gain) / loss arising from:				
- change in financial assumptions	(5.00)	4.02	(2.20)	4.35
- experience variance (i.e. actual experience vs assumptions)	6.45	1.72	5.46	8.13
Past Service Cost	9.23	-	-	-
Benefits Paid	(8.93)	(6.57)	(16.82)	(17.33)
Present Value of Obligation as at the end	74.64	58.95	46.13	49.23

(ii) Expenses recognised in the income statement and other comprehensive income

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Current service cost	9.72	2.79	6.94	11.08
Past service cost	9.23	-	-	-
Net interest cost on the net defined benefit liability	4.23	4.10	3.53	3.06
Actuarial (gains) / losses	-	-	3.26	12.48
Expenses recognised in Profit & Loss Account	23.18	6.89	13.73	26.62
Other Comprehensive Income				
Actuarial (gains) / losses				
- Change in financial assumptions	(5.00)	4.02	-	-
- Experience variance	6.45	1.72	-	-
Expenses recognised in OCI	1.45	5.74	-	-

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

iii) Financial Assumptions

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

Particulars	Gratuity		Leave Encashment	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Discount Rate (per annum)	7.70%	7.16%	7.70%	7.16%
Salary growth rate (per annum)	4.50%	4.50%	4.50%	4.50%
Mortality Rate	IALM 06-08	IALM 06-08	IALM 06-08	IALM 06-08

iv) Sensitivity Analysis

Particulars	Gratuity			
	March 31, 2018		March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 0.5%)	79.25	70.44	63.96	54.37
Salary growth rate (- / + 0.5%)	70.59	79.00	54.88	63.26
Attrition rate (1 / + 1%)	74.57	74.71	58.73	59.23
Mortality rate (- / + 1%)	74.53	74.75	-	-

Sensitivity Analysis

Particulars	Leave Encashment			
	March 31, 2018		March 31, 2017	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	50.38	42.59	-	-
Salary growth rate (- / + 1%)	42.46	50.47	-	-
Attrition rate (1 / + 1%)	41.78	49.13	-	-
Mortality rate (- / + 1%)	46.09	46.17	-	-

v) Maturity profile of Defined Benefit obligation

	Gratuity	Leave Encashment
Expected Cash flow over the next (valued on undiscounted basis)	Amount	Amount
1 Year	6.14	13.13
2 to 5 years	19.23	14.60
6 to 10 years	27.69	11.05
More than 10 years	187.27	80.09

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

40. Contingent Liability and Commitments

Provision is made in the financial statements if it becomes probable that an outflow of resources embodying economic benefits will be required to settle the obligation.

(₹ in Millions)

Contingent Liabilities to the extent not provided for:	March 31, 2018	March 31, 2017
(a) Claims against the Company not acknowledged as debt:		
(i) Income Tax matters	17.74	12.16
(ii) Service Tax matters	-	16.18
(b) Details of guarantees outstanding as at:		
(i) Corporate guarantees provided to banks against credit facilities extended to subsidiaries and joint venture	98.00	195.28
(ii) Guarantees given by banks	165.29	114.46
(c) Capital and other commitments:		
(i) Estimated amount of contracts on capital account remaining to be executed and not provided for (net of advances)	-	35.89

41. Forward contracts in foreign currencies

The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. The foreign exchange forward contracts mature within a period of one month and two years.

The Company uses forward exchange contracts to hedge its exposure in foreign currency on highly probable forecast transactions. The information on derivative instruments is given below. The table below analyzes the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
Not later than one month	93.27	95.38
Later than one month and not later than three months	187.67	83.01
Later than three months and not later than one year	781.54	549.33
Later than one year	215.72	290.60
Total	1,278.20	1,018.32

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

(₹ in Millions)

Foreign Currency	March 31, 2018			March 31, 2017		
	No. of Contracts	Notional amount of Currency Forward contract	Fair Value gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value gain / (loss)
U.S. Dollar	107	11.60	24.28	77	8.93	30.37
Euro	7	0.42	(0.63)	8	0.31	3.41
Sterling Pound	92	4.30	(18.80)	61	3.68	51.72
Total			4.85			85.50

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Net gain on derivative instruments of ₹ 4.85 million (FY 2016-17 ₹ 85.50 million) recognised in Cash Flow Hedging Reserve as of March 31, 2018, is expected to be reclassified to the Statement of Profit and Loss by December 31, 2019.

42. Segment information

The company publishes standalone financial statements of the company along with the consolidated financial statements. In accordance with Ind AS 108 - Operating segments, the company has disclosed the segment information in the consolidated financial statements.

43. Auditor's remuneration includes

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
For services as auditors, including quarterly audits	3.27	2.56
For other services	1.08	0.69
Reimbursement of out of pocket expenses	0.08	0.09
Total	4.43	3.34

44. Activities in foreign currency

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(i) Earnings in foreign currency		
FOB value of exports	2,216.17	2,105.86
Corporate guarantee fees	0.50	2.01
Total	2,216.67	2,107.87
(ii) Expenditure in foreign currency		
CIF value of import of capital goods	1.56	6.24
Purchase of products and licenses	1.76	9.17
IT infrastructure and development cost	9.27	16.01
Software maintenance charges	1.91	11.53
Travelling expenses	166.86	167.98
Technical and professional fees	68.06	69.90
Interest expense	7.08	15.18
Employee benefit expenses	1.54	0.71
Membership and subscription expenses	1.91	2.08
Bank charges	0.51	0.49
Training and seminar expenses	-	0.67
Recruitment charges	-	1.02
Sales promotion expenses	0.17	3.60
Total	260.63	304.58

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
(iii) Remittance of foreign currency for dividend		
No. of Non-resident shareholders	5	5
No. of equity shares held on which dividend was due	248,250	248,250
The year to which the dividend relates	2016-17	2015-16
Amount remitted in equivalent dollar (\$)	2,892	2,791
Amount remitted in equivalent Rupees (₹)	186,188	186,188

45. Loans and advances to Subsidiaries consist of following

(₹ in Millions)

Particulars	Balance Outstanding as on March 31, 2018	Maximum amount outstanding during the year	Balance Outstanding as on March 31, 2017	Maximum amount outstanding during the year
Datamatics Global Services Inc. *	10.92	10.92	9.52	9.52
Datamatics Infotech Limited *	6.09	6.09	1.06	4.23
Datamatics Global Services Pty Limited *	0.93	0.95	0.29	0.38
Datamatics Global Technologies AG *	0.02	0.02	-	-
Lumina Datamatics Limited *	5.29	21.75	5.96	9.24
Cignex Datamatics Technologies Limited*	-	21.06	1.51	1.51
Cignex Datamatics Inc.*	-	3.09	3.09	3.09
Datamatics Global Services FZ LLC *	7.59	18.80	14.81	27.09
Lumina Datamatics GmbH *	0.05	0.05	-	-
Cignex Datamatics Pte. Ltd. *	0.02	0.02	-	-
Total	30.91	82.75	36.24	55.06

* Interest free advances.

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

a) Loans given

There are no loans / inter corporate deposits given during the year.

b) Investments made

There are no investments by Company other than those stated under Note 4 and Note 8 in the financial statements.

c) Guarantees given

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
To secure obligations of subsidiary and Joint Venture - Guarantees to banks	98.00	195.28

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

d) Securities given

There are no securities given during the year.

47. Datamatics Global Services GmbH (DGSG), a subsidiary company has filed for voluntary winding up/liquidation/de registration procedure in financial year 2015-16. During the previous year, the Company had provided for diminution to the extent of balance appearing in respective investment of ₹ 130.23 million under exceptional item. Datamatics Technologies UK Limited (DTUK), a subsidiary company in the UK had filed for voluntary winding up / liquidation and the same was liquidated during the year ended March 31, 2017. Accordingly during previous year, the Company had written off its investment in DTUK and an amount of ₹ 23.88 million has been shown as an exceptional item.

48. 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.

49. As per Companies (Accounting Standards) Rules, 2013 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 2013, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

50. 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, 2017. 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.

51. Corporate social responsibility expenditure

(₹ in Millions)

Particulars	March 31, 2018	March 31, 2017
1. Gross Amount required to be spent by the Company during the year	7.85	6.78
2. Amount Spent during the year on		
A. In Cash		
(i) Construction of any asset	-	-
(ii) On purpose other than i above		
- Promoting Education	1.48	2.03

52. First-time adoption of Ind AS

Transition to Ind AS

These are the company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the company's date of transition). In preparing its opening Ind AS balance sheet, the company has adjusted the amounts reported previously in financial statements

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost - Property, Plant and Equipment, Capital work-in-progress and Intangible Assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment, Capital work-in-progress and intangible assets at their previous GAAP carrying values.

A.1.2 Designation of previously recognised financial instruments

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS.

The company has elected to apply this exemption for its investment in equity investments.

A.2 Ind AS mandatory exceptions

A.2.1 Hedge accounting

Hedge accounting can only be applied prospectively from the transition date to transactions that satisfy the hedge accounting criteria in Ind AS 109, at that date. Hedging relationships cannot be designated retrospectively, and the supporting documentation cannot be created retrospectively. As a result, only hedging relationships that satisfied the hedge accounting criteria as of 1 April 2016 are reflected as hedges in the company's results under Ind AS.

The company had designated various hedging relationships as cash flow hedges under the previous GAAP. On date of transition to Ind AS, the entity had assessed that all the designated hedging relationship qualifies for hedge accounting as per Ind AS 109. Consequently, the company continues to apply hedge accounting on and after the date of transition to Ind AS.

A.2.2 Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

- * Investment in equity instruments carried at FVPL or FVOCI;
- * Investment in debt instruments carried at FVPL; and
- * Impairment of financial assets based on expected credit loss model.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

A.2.4 De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

Effects of Ind AS adoption on Balance Sheet at 31st March, 2017 and 1st April, 2016:

(₹ in Millions)

Particulars	Note No.	As at 31 st March, 2017 (End of last period presented as per IGAAP)			As at 1 st April, 2016 (Date of Transition)		
		As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS	As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment	8	1,018.52	(38.94)	979.58	989.76	(34.26)	955.50
Capital work-in-progress		7.68	-	7.68	18.00	-	18.00
Goodwill	7	74.43	24.81	99.24	99.23	-	99.24
Other intangible assets		68.79	-	68.79	76.66	-	76.66
Financial assets							
i. Investments	1	2,628.07	(592.14)	2,035.93	2,684.90	(611.91)	2,072.99
ii. Loans		5.27	-	5.27	5.99	-	5.99
iii. Other financial assets	9	48.63	19.88	68.51	53.35	19.88	73.24
Deferred tax assets	3	187.30	200.94	388.24	97.54	217.08	314.62
Non-current tax assets		6.65	-	6.65	41.97	-	41.97
Other non-current assets		12.24	-	12.24	10.32	-	10.32
Total non-current assets		4,057.58	(385.45)	3,672.13	4,077.73	(409.20)	3,668.53
Current assets							
Financial assets							
i. Investments	1	308.72	23.53	332.25	315.10	30.28	345.37
ii. Trade receivables	4	800.81	(119.01)	681.80	668.53	(119.01)	549.52
iii. Cash and cash equivalents		114.82	-	114.82	135.94	-	135.94
iv. Bank balances other than (iii) above		4.00	-	4.00	10.42	-	10.42
v. Loans		7.72	-	7.72	0.25	-	0.25
vi. Other financial assets		324.12	-	324.26	117.36	-	117.36
Other current assets		34.59	-	34.45	54.74	-	54.74
Total current assets		1,594.78	(95.48)	1,499.30	1,302.34	(88.73)	1,213.61
Total assets		5,652.36	(480.93)	5,171.43	5,380.06	(497.92)	4,882.14

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	Note No.	As at 31 st March, 2017 (End of last period presented as per IGAAP)			As at 1 st April, 2016 (Date of Transition)		
		As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS	As per IGAAP	Adjustments on transition to Ind AS	As per Ind AS
Equity							
Equity share capital		294.75	-	294.75	294.75	-	294.75
Other equity							
Reserves and surplus	10	4,313.09	(491.84)	3,821.25	4,094.80	(498.98)	3,595.82
Other reserves	11	85.50	(8.34)	77.16	53.65	-	53.65
Total equity		4,693.34	(500.18)	4,193.16	4,443.20	(498.98)	3,944.22
LIABILITIES							
Non-current liabilities							
Financial liabilities							
i. Borrowings	5	80.41	(0.60)	79.81	350.09	(1.06)	349.03
ii. Other financial liabilities	9	0.67	19.88	20.52	0.34	19.88	20.22
Employee benefit obligations		92.02	-	92.02	79.42	-	79.42
Total non-current liabilities		173.10	19.28	192.35	429.85	18.82	448.67
Current liabilities							
Financial liabilities							
i. Borrowings		144.33	-	144.33	85.62	-	85.62
ii. Trade payables		308.81	-	308.81	173.82	-	173.82
iii. Other financial liabilities		278.05	-	278.05	180.47	-	180.47
Provisions	2	-	-	-	17.74	(17.74)	-
Employee benefit obligations		16.16	-	16.16	13.41	-	13.41
Other current liabilities		38.57	-	38.57	35.93	-	35.93
Total current liabilities		785.92	-	785.92	507.01	(17.74)	489.25
Total liabilities		959.01	19.28	978.27	936.87	1.08	937.92
Total equity and liabilities		5,652.36	(480.93)	5,171.43	5,380.06	(497.92)	4,882.14

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in Millions)

Particulars	Note No.	As per IGAAP	Adjustments on transition to Ind AS	AS As per Ind AS
Continuing operations				
Revenue from operations		3,057.12	-	3,057.12
Other income	1	182.64	10.32	192.96
Total income		3,239.76	10.32	3,250.08
Expenses				
Operational expenses		11.88	-	11.88
Employee benefit expense	6	1,833.22	(5.73)	1,827.49
Finance costs	5	37.59	0.46	38.05
Depreciation and amortisation expense	7,8	138.71	(20.13)	118.58

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

(₹ in Millions)

Particulars	Note No.	As per IGAAP	Adjustments on transition to Ind AS	AS As per Ind AS
Other expenses		847.99	-	847.99
Total expenses		2,869.39	(25.41)	2,843.99
Profit before exceptional items and tax		370.37	35.72	406.09
Exceptional items		(154.11)	-	(154.11)
Profit before tax from continuing operations		216.26	35.72	251.98
Income tax expense				
- Current tax		87.20	-	87.20
- Deferred tax	3	(89.25)	6.18	(83.07)
Total tax expense		(2.05)	6.18	4.13
Profit for the year		218.29	29.55	247.85
Other comprehensive income	11	-	18.83	18.83
Total comprehensive income		218.29	48.38	266.68

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

(₹ in Millions)

Particulars	Notes to first time adoption	March 31, 2017	April 1, 2016
Total equity (shareholder's funds) as per previous GAAP		4,693.34	4,443.20
Adjustments:			
Reversal of Proposed dividend including tax thereon	2	-	17.74
Fair valuation on investments	1	(568.60)	(581.60)
Reversal of transaction cost	5	0.60	1.06
Amortisation of leasehold Land	8	(34.25)	(34.25)
Provision on Expected Credit Loss on trade receivable	4	(119.01)	(119.01)
Reversal of amortisation of goodwill and other assets	7	20.12	-
Deferred tax impact on Ind AS adjustments	3	200.95	217.08
Total adjustments		(500.19)	(498.98)
Total equity as per Ind AS		4,193.15	3,944.22

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in Millions)

Particulars	Notes to first time adoption	March 31, 2017
Profit after tax as per previous GAAP		218.29
Adjustments:		
Fair valuation of financial instruments	1	10.32
Reclassification of actuarial gain / losses to OCI	6	5.74
Reversal of amortisation of goodwill and other assets (net)	7,8	20.12
Amortisation of transaction costs on borrowings	5	(0.46)
Deferred tax on Ind AS adjustments	3	(6.17)
Total adjustments		29.55
Profit after tax as per Ind AS		247.85
Other Comprehensive income - Hedge Reserve (net of tax)	11	20.83
Other Comprehensive income - Actuarial gain / loss and FVOCI investments (net of tax)	11	(2.00)
Other comprehensive income		18.83
Total comprehensive income as per Ind AS		266.68

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2017

(₹ in Millions)

Particulars	Previous GAAP	Adjustments	Ind AS
Net cash flow from operating activities	295.04	-	295.04
Net cash flow from investing activities	(120.24)	-	(120.24)
Net cash flow from financing activities	(167.78)	-	(167.78)
Net increase/(decrease) in cash and cash equivalents	7.02	-	7.02
Cash and cash equivalents as at March 31, 2017	114.82	-	114.82

C. Notes to first-time adoption:

Note 1: Fair valuation of investments

Under the previous GAAP, investments in equity instruments and mutual funds were classified as long-term investments or current investments based on the intended holding period and realisability. Long-term investments were carried at cost less provision for other than temporary decline in the value of such investments. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be measured at fair value. The resulting fair value changes of these investments (other than equity instruments designated as at FVOCI) have been recognised in retained earnings as at the date of transition and subsequently in the profit or loss for the year ended 31 March 2017. This increased the retained earnings by ₹ 568.60 million as at 31 March 2017 (1 April 2016 - ₹ 581.60 million). This has resulted in an increase in profit for the year ended 31 March 2017 by ₹ 10.32 million.

Notes to the Financial Statements

as at March 31, 2018 (Contd.)

Fair value changes with respect to investments in equity instruments designated as at FVOCI have been recognised in FVOCI – Equity investments reserve as at the date of transition and subsequently in the other comprehensive income for the year ended 31 March 2017. This increased other reserves by ₹ 2.68 million as at 31 March 2017 (1 April 2016 - ₹ 3.95 million).

Note 2: Proposed dividend

Under the previous GAAP, dividends proposed by the board of directors after the balance sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend (including dividend distribution tax ₹ 3 million) of ₹ 17.74 million as at 31 March 2017 included under provisions has been reversed with corresponding adjustment to retained earnings. Consequently, the total equity increased by an equivalent amount.

Note 3: Deferred tax

Deferred tax have been recognised on the adjustments made on transition to Ind AS. Minimum Alternate Tax (MAT) entitlement is classified as deferred tax assets. There is no impact on the total equity and total comprehensive income as at 31 March 2017 (1 April 2016).

Note 4: Trade receivables

As per Ind AS 109, the company is required to apply expected credit loss model for recognising the allowance for doubtful debts. As a result, the allowance for doubtful debts increased by ₹ 119.01 million as at 31 March 2017 (1 April 2016 – INR 119.01 million). Consequently, the total equity as at 31 March 2017 decreased by ₹ 119.01 million (1 April 2016 – ₹ 119.01 million).

Note 5: Borrowings

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method.

Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred. Accordingly, borrowings as at 31 March 2017 have been reduced by ₹ 1.66 million (1 April 2016 – ₹ 1.06 million) with a corresponding adjustment to retained earnings. The total equity increased by an equivalent amount. The profit for the year ended 31 March 2017 reduced by ₹ 0.46 million as a result of the additional interest expense.

Note 6: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. As a result of this change, the profit for the year ended 31 March 2017 increased by ₹ 5.74 million (1 April 2016 ₹ Nil). There is no impact on the total equity as at 31 March 2017 (1 April 2016).

Note 7: Goodwill

Under previous GAAP, Goodwill created on merger were amortised over period of 5 years. Under Ind AS, Goodwill is tested for impairment and not amortised over a specified period. Hence, Goodwill reinstated as on 1 April 2016. As a result of this, Profit for the year ended 31 March 2017 increased by ₹ 24.81 million (1 April 2016 ₹ Nil). Accordingly, Retained earnings also increased by ₹ 24.81 million.

Notes to the Financial Statements as at March 31, 2018 (Contd.)

Note 8 : Property, Plant and equipment

Leasehold land is amortised over a period of lease. This has been resulted in decrease in retained earnings as at 31 March 2017 ₹ 34.25 million. (1 April 2016 - ₹ 34.25 million).

Note 9 : Fair valuation of corporate guarantee

Under previous GAAP, corporate guarantee were not accounted for and only disclosure was required. Under Ind AS, corporate guarantee needs to accounted for at fair value. Hence, fair value of corporate guarantee has been accounted as financial liability representating corresponding financial asset as recoverable from subsidiary as at 31 March 2017 - ₹ 19.88 million (1 April 2016 - ₹ 19.88 million).

Note 10: Retained earnings

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 11: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

53. Events occurring after Balance Sheet date :

Dividend

Dividends paid during the year ended March 31, 2018 include an amount of ₹ 0.75 per equity share towards final dividend for the year ended March 31, 2017 and an amount of ₹ 0.50 per equity share towards interim dividend for the year ended March 31, 2018. Dividends declared by the Company are based on the profit available for distribution. Distribution of dividend out of general reserve and Retained earnings is subject to applicable dividend distribution tax. On May 29, 2018, the Board of Directors of the Company have proposed a final dividend of ₹ 0.25 per share in respect of the year ended March 31, 2018 subject to the approval of shareholders at the Annual General Meeting.

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

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

For and on behalf of the Board

Ashishkumar Bairagra
Partner
Membership No. 109931

R. K. Saraswat
DIN 00015095
Director

Dr. Lalit S. Kanodia
DIN 00008050
Chairman

Rahul L. Kanodia
DIN 00075801
Vice Chairman & CEO

Place : Mumbai
Date : May 29, 2018

Divya Kumat
EVP, Chief Legal Officer
& Company Secretary

Sandeep Mantri
Chief Financial Officer

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

Sr. No.	Name of the Subsidiary Company	Reporting Currency	Exchange Rate	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments (3)	Turnover (2)	Profit before taxation (2)	Provision for taxation (2)	Profit after taxation (2)	Proposed dividend	Percentage of Shareholding	Country
1	Datamatics Global Services Inc.	USD	65.17	1,840.52	(1,430.44)	868.35	458.28	0.91	1,787.79	39.29	2.47	36.83	-	100.00%	USA
2	Datamatics Intotech Limited	GBP	92.27	1.85	116.61	302.64	184.19	-	638.58	28.46	5.57	22.89	-	100.00%	UK
3	Datamatics Global Services Pty Limited	AUD	49.96	2.50	8.23	19.47	8.74	-	41.08	6.25	1.88	4.38	-	100.00%	Australia
4	Datamatics Global Technologies Limited	USD	65.17	896.09	81.30	979.95	2.56	-	10.14	2.79	0.81	1.98	-	100.00%	Mauritius
5	Datamatics Global Services Corp.	PHP	1.24	12.40	(2.07)	10.21	(0.12)	-	-	(2.20)	(0.07)	(2.13)	-	100.00%	Philippines
6	Datamatics Global Services FZ LLC	AED	17.74	0.89	129.68	143.06	12.49	-	118.95	5.14	-	5.14	-	100.00%	UAE
7	Datamatics Global Technologies AG	CHF	68.50	3.43	(1.86)	3.01	1.44	-	13.86	(0.64)	0.00	(0.64)	-	100.00%	Switzerland
8	Datamatics Robotics Software Inc	USD	65.17	0.65	(0.00)	0.65	-	-	-	(0.00)	-	(0.00)	-	100.00%	USA
9	Lumina Datamatics Limited	INR	1.00	111.59	1,865.42	2,287.09	310.08	42.71	1,083.92	78.92	14.19	64.73	-	98.00%	India
10	Lumina Datamatics Inc.	USD	65.17	2,307.91	(282.94)	2,216.13	191.15	0.59	1,911.87	25.65	1.79	23.86	-	98.00%	USA
11	Lumina Datamatics GmbH	EUR	80.80	16.16	0.41	19.97	3.40	-	34.65	0.88	0.15	0.73	-	98.00%	Germany
12	LDR eRetail Limited	INR	1.00	0.50	(34.37)	17.37	51.24	2.88	8.81	(5.98)	-	(5.98)	-	98.00%	India
13	Lumina Datamatics Assessment & Analytics, LLC	USD	65.17	188.10	(76.00)	152.41	20.75	-	60.34	(23.42)	11.47	(34.89)	-	63.70%	USA
14	LD Publishing and eRetail Limited	INR	1.00	0.50	(0.01)	0.50	0.01	-	-	(0.01)	-	(0.01)	-	100.00%	India
15	Cignex Datamatics Corporation	USD	65.17	26.31	0.15	26.57	26.42	-	-	(0.00)	-	(0.00)	-	59.11%	BVI
16	Cignex Datamatics Inc.	USD	65.17	120.36	62.78	518.52	339.87	0.61	980.59	40.15	(75.71)	115.86	-	59.11%	USA
17	Cignex Datamatics Technologies Limited	INR	1.00	0.50	299.78	431.37	84.93	75.55	675.01	66.22	19.56	46.66	-	59.11%	India
18	Cignex Datamatics Pte. Limited	SGD	49.80	0.00	9.10	12.98	3.38	-	19.06	0.48	(0.02)	0.50	-	59.11%	Singapore
19	Cignex Datamatics UK Limited	GBP	92.27	0.01	(1.18)	1.28	5.34	-	7.16	(2.88)	-	(2.88)	-	59.11%	UK
20	Cignex Datamatics GmbH	EUR	80.80	2.02	(0.36)	5.35	5.11	-	12.16	0.59	-	0.59	-	59.11%	Germany
21	Duo Design LLC	USD	65.17	65.04	(26.20)	86.64	124.22	-	129.45	(11.38)	-	(11.38)	-	39.01%	USA
22	Attune Infocom Private Limited	INR	1.00	5.11	4.41	24.33	15.11	-	55.76	6.70	1.89	4.82	-	30.15%	India
23	Datamatics Digital Limited	INR	1.00	5.50	158.25	185.39	21.64	-	353.82	51.58	13.19	38.39	-	71.10%	India
24	Techjini Inc	USD	65.17	0.26	16.13	60.92	44.53	-	133.28	1.80	0.77	1.03	-	71.10%	USA
25	Cybercom Datamatics Information Solutions Limited	INR	1.00	8.48	102.83	122.73	11.41	46.67	82.07	50.68	11.73	38.94	-	50.50%	India

Notes:

- Indian rupee equivalents of the figures given in foreign currencies in the accounts of the Subsidiary Companies, are based on the exchange rates as on March 31, 2018.
- Converted at monthly average exchange rates.
- Investments represents investments other than investments in subsidiaries.
- The reporting period for all the Subsidiaries is March 31, 2018

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

Sandeep Mantri
Chief Financial Officer

Divya Kumat
EVP, Chief Legal Officer
& Company Secretary

Place : Mumbai
Date : May 29, 2018

Year At Glance

(₹ in Million)

Consolidated			
	March 31, 2018	March 31, 2017	Growth (%)
For the year			
Operating Revenue	9,102.69	8,524.17	6.79
Total revenue	9,369.87	8,709.74	7.58
Operating Profit	820.31	829.58	(1.12)
Operating Profit % Revenue	9.01	9.73	-
Profit before tax	843.89	692.59	21.85
PBT as % to Total revenue	9.01	7.95	-
PAT	715.03	639.62	11.79
PAT as % to Total revenue	7.63	7.34	-
Earnings per share			
Basic	10.87	11.06	
Diluted	10.87	11.01	
Dividend per share	0.75	0.75	-
Dividend amount including tax	53.26	53.26	-
Average net worth	5,529.39	5,038.60	9.74
PAT % to average Net Worth	12.93	12.69	-
At the end of the year			
Total assets	7,600.42	6,796.97	11.82
Fixed assets (net)	3,151.96	2,645.98	19.12
Cash and cash equivalents	817.84	676.63	20.87
Total debt	657.95	546.64	-
Net worth	5,827.44	5,231.33	11.39
Equity	294.75	294.75	-

