DATAMATICS®
Next-Generation Solutions

Datamatics Global Services Limited
Annual Report 2012-13

Data to
Intelligence™

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Board of Directors

Dr. Lalit S. Kanodia
Chairman

Rahul L. Kanodia
Vice Chairman & CEO

Vidur V. Bhogilal
Executive Director & CFO

Sameer L. Kanodia
Executive Director

Radhakrishna K. Saraswat
Director

Dileep C. Choksi
Director

Sudhir C. Deshpande
Director

Shahzaad S. Dalal
Director

Dr. Habil F. Khorakiwala
Director

"Whenever there is a visionary and an executor, victory is assured"

Bhagwat Geeta

CHAIRMAN'S MESSAGE

Dr. Lalit S. Kanodia, Chairman

Dear Shareholders,

Your company has had two very good years of revenue growth. In FY 2011-12 our revenues grew by 67%. Dataquest ranked your company as the fastest growing IT Company listed in India in this year. If companies listed overseas are included, we were ranked No. 6 in FY 2011-12. In FY 2012-13 our revenues grew by 24%, which is significantly higher, than the 10.2% overall growth of the software industry in India.

Your company remains financially strong and prudent. We have a strong balance sheet, which is reflected in the highest credit ranking of A1+ awarded by CRISIL (A Subsidiary of S&P).

Since 2008, the global economic has been turbulent. Unfortunately the turn-around has still not happened. Since 86% of the revenues of your company constitute exports, this has naturally impacted your company. This makes our revenue growth all the more creditable.

Asia is leading the world in economic growth. Despite the fact that India's growth slowed down to about 5%, China and India remain the two of the fastest growing economies in this world. Your company is therefore targeting customers in India too. In FY 2012-13, 14% of our revenues were from domestic clients.

Your company is in the technology business, where the only constant is change. We have to continuously monitor changing technologies and both adopt and adapt to change. Evolving technologies present both, opportunities and challenges. These need to be continuously addressed. These opportunities include Open Source, Cloud Computing, Mobile Computing, Analytics, e-Retail, etc. Our acquisition of Cignex, two years ago was in response to the Open Source opportunity. Cignex is in "Open Source". Cignex revenue grew fromRs 99 crores to Rs 193 crores in the 2 years after our acquisition.e-Commerce and in particular e-Retail is growing rapidly world-wide. This presented an opportunity which has been seized by your company. We are pursuing opportunities in e-Retail with vigor.

Our delivery centers in India are now located in 7 cities. These include Ahmedabad, Mumbai, Nashik, Delhi, Bangalore, Chennai and Puducherry. In recognition of the fact that more than half of India's software professionals are from Tier II and III cities, though many of them migrate to and work in Metros, your company is tapping local talent by opening delivery centers in smaller towns such as Nashik and Puducherry. We have also acquired 12 acres in Nashik, which will house our campus in future.

Your company is relying upon both organic and inorganic growth. We are constantly looking for M&A targets in our business, with financial prudence.

All of us are disturbed by the weakening Rupee. This is a double edged sword. However, for exporters this is advantageous, since our Dollar earnings translate to more Rupees. Prudence is the need of the hour. Unfortunately there is a risk of political turbulence post elections in 2014. While I remain very bullish on our future, we need to tread carefully.

We are constantly evaluating means of increasing and improving staff productively and quality of our deliverables by the use of software tools and improved workflow processes. There is no substitute for efficiency and quality in the long run.

We are constantly evaluating means of increasing and improving staff productively by the use of software tools and improved workflow processes. There is no substitute for efficiency in the long run.

A good government enables and promotes. I believe its role of regulation is secondary. In the past, the IT industry has been supported by several Government initiatives such as the Software Technology Park and I.T. education. Besides professional entrepreneurship in I.T., this propelled this industry to grow 10 fold, from revenues of around $8 billion in 2001-02 to around $77 billion in 2012-13. NASSCOM has estimated that software exports can exceed $200 billion by 2020. Looking at this potential and the Country's CAD problems, the Government should continue to provide both direct and indirect support for the industry, so that it reaches its full potential.

I am confident that our growth will exceed 30% in FY 2013-14 thanks to organic growth, M&As and the weakening rupee. I must thank all our stakeholders including our shareholders for their continued support.

With best wishes,

Dr. Lalit S. Kanodia
Ph. D., M.I.T. | Chairman

Standing on the seashore a man tells the vast ocean -
"Despite your size you have a boundary,
I am boundary less"

A Poet

A GLIMPSE OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Support by Company to Snehasadan', an orphanage for boys in Andheri East , Mumbai.

Company invited students from Bala ihar' School School for children with special heads as guests at the Annual Achievers Award function held at Chennai.

GLIMPSES FROM ANNUAL ACHIEVERS AWARDS 2013

Mumbai

Puducherry

Bangalore

Ahmedabad

Chennai

FINANCIAL HIGHLIGHTS

STANDALONE

₹ in Million

Particulars	2008-09	2009-10	2010-11	2011-12	2012-13
Revenue Other Income	1,701.21	1,44 .44	1, 4 .19	1,729. 7	1,998.1
PBT	32 .4	277.33	218.81	27 .47	3 3. 4
PAT	277.92	243.31	212. 1	219.04	293.74
EPS Diluted ₹ Per share	4.3	4.12	3. 1	3.72	4.98
Net Worth	3,0 0.49	3,012.90	3,174.12	3,323. 9	3, 84.2
General Reserve	1,030.8	874.0	924.0	974.0	1,004.0

FINANCIAL HIGHLIGHTS

CONSOLIDATED

₹ in Million

Particulars	2008-09	2009-10	2010-2011	2011-12	2012-13
Revenue Other Income	3,10 .93	2,7 4.94	2,919.94	4, 19.04	, 89.
PBT	329.08	2 3. 8	224.41	37 .27	412.70
PAT	27 .3	221.93	207.99	282. 4	314.
EPS Diluted ₹ Per share	4.31	3.7	3.4	4.38	4.40
Net Worth	2,479.13	2,390. 3	2, 24.30	2,734.14	2,998. 8
General Reseve	707.9	1.1	09.48	9.48	701.48

Corporate Information

Registered Office

Unit No. 117-120, SDF 4,
SEEP , Andheri East ,
Mumbai - 400 09 .
Tel 91 22 102 0 01 - 0 04
Fax 91 22 2829 1 73

Corporate Office

Knowledge Centre, Street No. 17,
Plot No. 8, Andheri East ,
Mumbai - 400 093.
Tel 91 22 102 0000 - 000
Fax 91 22 2834 3 9

Registrar & Share Transfer Agents

Datamatics Financial Services Limited
Plot No. B- , Part B, Cross Lane, MIDC,
Andheri East , Mumbai - 400 093.
Tel 91 22 71 21 1
Fax 91 22 71 2230

Vice President - Legal & Company Secretary

Divya Kumat

Auditors

Kanu Doshi Associates

Solicitors

Crawford Bayley & Co.

Bankers

Citi Bank
ICICI Bank Limited
HDFC Bank Limited
Standard Chartered Bank
Deutsche Bank

DIRECTOR'S REPORT

On behalf of the Board of Directors, I am happy to present the 25th Director's Report of your Company with the Balance Sheet and Profit & Loss Account for the year ended March 31, 2013.

FINANCIAL RESULTS

Your Company's operating performance for the year ended March 31, 2013 as compared to the previous financial year ended March 31, 2012 is summarized below:

Particulars	(₹in Million) Consolidated		(₹in Million) Standalone	
	2012-2013	2011-2012	**2012-2013**	2011-2012
Income	**5,589.65**	4,519.04	**1,998.15**	1,729.67
Profit before interest, Depreciation and tax	**567.62**	515.25	**448.19**	352.48
Interest	**34.64**	24.64	**25.79**	15.07
Profit before Depreciation and tax	**532.98**	490.61	**422.40**	337.41
Depreciation	**120.28**	115.33	**68.86**	60.94
Profit before tax	**412.70**	375.28	**353.54**	276.47
Provision for Taxation	**98.14**	92.74	**59.80**	57.43
Profit after tax	**314.56**	282.54	**293.74**	219.04
Balance brought forward from previous year	**480.74**	299.58	**745.09**	627.44
Profit available for appropriation	**795.30**	582.12	**1,038.83**	846.48
Dividend	**109.35**	44.21	**58.95**	44.21
Tax on Dividend	**18.32**	7.17	**1.55**	7.17
Transfer to General Reserve	**42.00**	50.00	**30.00**	50.00
Balance carried forward	**625.63**	**480.74**	**948.33**	**745.10**

BUSINESS PERFORMANCE

Your Company is a global IT and ITeS organization focused on delivering proactive and smart, next-generation business solutions that help enterprises across the world address their business challenges. Fiscal year 2012–2013 was a remarkable year for your Company. The Revenues of the Company recorded a total growth of approx. 25% (without any acquisition) as against NASSCOM predicted Y-o-Y growth rate of 10.2 per cent for the FY 2012-13 and the EBIDTA increased by approx. 10% during the year. This performance is outstanding as it was achieved amidst strong macro headwinds globally and slowing domestic growth.

Total revenue for the year on standalone basis amounted to ₹1,998.15 million as against ₹1,729.67 million for the corresponding period last year. The consolidated revenues increased for 2012-13 to ₹5,589.65 Million from ₹4,519.04 Million in 2011-12. The standalone profit after tax was at ₹293.74 Million as against the previous years' profit after tax of ₹219.04 million. The consolidated profit after tax was ₹314.56 million as against ₹282.54 million for the previous year.

DIVIDEND

In line with excellent performance for the year, your Directors are pleased to recommend for approval of members, a final dividend termed as **"Silver Jubilee Special Dividend"** of ₹1 per share, on account of completing 25th year of its incorporation for the FY 2012-13.

TRANSFER TO RESERVES

The Company has transferred ₹30 million to the General Reserve out of the amounts available for appropriations. An amount of ₹948.33 million is proposed to be retained in the Profit and Loss Account.

DATAMATICS' DELIVERY CENTRES IN TIER II CITIES

Tier II cities are the lifeline of Indian IT/ITeS Industry. In recent years a growing trend has emerged which has seen a move to Tier II cities offering lower manpower costs, lower staff attrition rates, lower land and office space costs and access to large pool of relatively untapped educated professionals. About 50% of the IT/ITeS service providers are looking to move or expand to tier II cities for perceived benefits like availability of low-cost skilled resources, lower real estate cost and lower attrition. They even assist in business continuity planning.

Nashik

Our operation in Nashik has been growing from strength to strength. The 55,000 sq. ft. state-of-the-art-facility, which has 4 training rooms and an auditorium as well, is the single largest facility under one roof that the Company has. The 16 bedroom guest house located in close proximity to our office has a capacity to accommodate 28 people at any given time. Our headcount at the Centre is in excess of 1000 staff members, servicing each of our BPO service lines. The Company is also executing software projects at the Centre, which will provide the necessary additional impetus for the growth at the Centre. It has been extensively used for training and leadership programs also.

The Company owns approximately 12 acres of land situated on the Bombay-Agra Highway (NH-3), about 10 kms away from the existing office of Datamatics. The Company intends to build a campus in future.

Puducherry

The Company commenced its operations in Puducherry in October 2011. The operations at the center have significantly increased with the count of staff members going up from 275 in FY 2011-12 to 430 in FY 2012-13.

As on close of FY 2012-13, more than 55% of the staff in BPO business of the Company were operating out of Nashik and Puducherry. These 2 Centres will strengthen the Company's resilience and will help the Company's thrust to open additional Delivery Centres in Tier II cities in the country. In India, the Puducherry Centre is the 6th Centre of Excellence for Datamatics, and the 3rd Centre in Southern India.

GLOBAL OUTLOOK AND INVESTMENTS

The IT & ITeS sector has a steady association with the US dollar. The rupee depreciation comes as a breather for India's IT and ITeS that contribute over 7 per cent to the country's GDP. The industry, though, believes that it would give short-lived respite, as majority of contracts are negotiated at rupee value, and run for a longer term and in many cases the customers would pressurize the Indian service providers to re-negotiate the price. Such sudden fluctuations impact the planning process for companies and customers.

During the year under review, your Company has made investments worth ₹70.75 million in its overseas subsidiaries and ₹3.74 million in its Indian subsidiary as on March 31, 2013. Your Company has invested 8,400 fully paid up equity shares of ₹10/- each in Cybercom Datamatics Information Solutions Limited. Subsequent to the allotment of shares, Cybercom Datamatics Information Solutions Limited has become an Indian subsidiary of the Company. Also, your Company has invested 1,000,000 ordinary fully paid-up shares of €1,000,000 in Datamatics Global Services GmbH.

INTELLECTUAL PROPERTY RIGHTS

"Effective enforcement of Intellectual Property Rights is critical to sustaining economic growth across all industries and globally."

The Company continues to actively seek intellectual property protection for its brand name, while increasing emphasis on other initiatives designed to leverage its intellectual property leadership. The Company's IP strategy seeks to build an effective portfolio of intellectual property assets for future monetization, collaboration and risk mitigation.

To effectively safeguard our brand name from possible piracy and encroachment, we have registered our brand name 'DATAMATICS' as trade mark and service mark in India, US, UK and 27 member countries of the European Union. This has strengthened our position worldwide and your Company has won several legal battles in the US and in India against the entities which were blatantly using the brand name 'DATAMATICS'. These companies were forced to remove the word 'DATAMATICS' from all materials printed and electronic including their domain name containing the brand name.

During the year under review, CIGNEX Datamatics Inc., a step-down subsidiary of the Company has successfully registered a Trade Mark and a Service Mark "CIGNEX DATAMATICS Making Open Source Work" in classes 9, 35, 38, 41 & 42 in US as well as in 27 member countries of the European Union.

Datamatics Logo has been registered in India, the UK and the USA as well as in 27 member countries of the European Union. As on March 31, 2013, the total IPR wealth of the Company in terms of registered Copyrights is 17.

SUBSIDIARIES

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2013:

1. Datamatics Software Services Limited
2. Datamatics Vista Info Systems Private Limited
3. CIGNEX Datamatics Technologies Private Limited
4. Cybercom Datamatics Information Solutions Limited

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2013:

1. Datamatics Global Services, Inc. (US).
2. Datamatics Global Services GmbH (Germany).
3. Datamatics Technologies UK Limited (UK).
4. Datamatics Infotech Limited (UK).
5. Datamatics Global Services Pty Limited (Australia).
6. Datamatics Global Technologies GmbH (Germany).
7. Datamatics Global Services GmbH d.o.o. in Bosnia (Switzerland).
8. Datamatics Global Technologies Limited (Mauritius).
9. Datamatics Global Holding Corporation (BVI).
10. Datamatics Global Technologies AG (Switzerland).
11. CIGNEX Datamatics Corporation (BVI).
12. CIGNEX Datamatics, Inc. (US).
13. CIGNEX Datamatics Pte. Limited (Singapore).

As per Section 212 of the Companies Act, 1956, we are required to attached the Directors' Report, Balance Sheet and Profit & Loss Account of our subsidiaries. The Ministry of Corporate Affairs, Government of India, vide its Circular No. 2/2011 dated February 8, 2011, has granted a general exmeption to companies from complying with Section 212 of the Companies Act, 1956, provided such companies publish the audited consolidated financial statements in the Annual Report. Accordingly, a statement containing brief financial details of the Company's subsidiaries for the year ended March 31, 2013 is included in the Annual Report. The detailed financial statments and the audit reports of each of the subsidiaries are available for inspection at the registered office of the Company during office hours between 11.00 am to 1.00 pm and upon written request from any shareholder. The Company will arrange to send the financial statements of subsidiary companies to such shareholder.

LEARNING & DEVELOPMENT

Learning & Development (L&D) conducted the following programs during the year 2012- 2013:

Eagle @ Datamatics: The Eagles @ Datamatics Program was flagged off in August 2012, with 31 Eagles, 6 mentors and a strong Leadership team. Duration of the program was for 4 months followed by 30-60-90 days reviews i.e. the overall duration of the program was 7 months. The entire team was divided into 6 groups and the projects identified this season were Account Strategy, Portals, Geo-penetration in US & Middle East and Predictive Analytics. This season of Eagles was regarded as a successful initiative as it helped the Company to venture into newer avenues which helped generate revenue of about $1 million & pipeline of about $8 million.

TNA (Training Need Analysis) based trainings for Datamatics: L&D put together the Training Need Analysis for the employees of Datamatics group companies on the basis of an appraisal conducted in FY 2011-12. Tactical Plan and Training calendar was designed and focused on completion of TNA such that the required gap can be filled and at the same time employee satisfaction increases with respect to requested v/s attended trainings.

Nashik Trainee Model: L&D prepared new Nashik Student Trainee Model is a roadmap of training to be undergone by Student Regular (STR) in Nashik location. These trainings consist of Induction, Quality, Soft Skills and Functional-job related training which trainees must undergo and upon successful completion, they can be taken as full-time employees at DGSL. This is a one-year course which ends with an examination. In FY 12-13, we have joined hands with Indian Merchant Chambers (IMC) such that successful students are awarded a joint certificate (DGSL & IMC) for some of the courses.

Project Management Preparatory Course (PMP): Being a REP (Registered Education Provider) for PMP, the 5-day training was scheduled in Mumbai, MIDC premises for those who are engaged in an activity that contributes to the management of a project, portfolio, or program, as part of the project management profession.

Trainings via webEx Training tool: L&D team has expanded their horizons for training execution to be done via webex for

employees across the organization. With the help of the tool L&D is able to address the global learning audience with ease and can address large audience effectively. This helps L&D teams to execute trainings from any location and employees can attend trainings from any location, it's a win-win situation for all the parties involved.

Behavioral training programs: L&D team has bought dynamic change in the behavioral training programs that is getting launched every month such as FISH ! - Having Fun at Work, Attitude & Motivation at Work, Art of Parenting, Communication Skills, People Management, Leadership Skills, Art of Giving Effective Feedback, Unleash your Potential, Session on Dental Healthcare, Customer Orientation Skills, Goal Setting. Every program was accepted and appreciated by all the employee participants.

Team Building: During the year, L&D Team designed and delivered various programs to meet the training needs of professionals across various echelons within the organization. Such continuous training has created professionals who are trained on the latest technologies, tools and techniques, and who work as highly-cohesive, coordinated teams to meet the organization's vision and mission. Keeping this in mind apart from technical and behavioral programs L&D at your Company has designed Synergy – The Team Building Workshop which is an outbound program which follows the methodology of experiential learning.

Learning & Development has clocked 179,140 man-hours in the year 2012–2013 as compared to 166,952 man-hours in the year 2011–2012 with an average feedback of 4 out of 5.

SIGNIFICANT EVENTS

- Datamatics became a Global Partner to Kofax, a USA based 240+ million USD organization, which is a leading provider of capture enabled business process management solutions;
- Datamatics was featured in Gartner's report titled "Competitive Landscape: Strategic Document Outsourcing, Asia/Pacific". The report analyzed the Strategic Document Outsourcing providers' progress in this competitive market and highlighted their services and go-to-market strategies; and how well they are positioned for the future;
- Datamatics entered into a strategic alliance with TEMIS, a leading provider of Semantic Content Enrichment Solutions. The alliance aims at capturing the dramatic growth of the eBook market whilst offering attractive opportunities for smart approaches to add value to the content;
- Datamatics has entered into a strategic partnership with Netherland-based Dutch Adminfactory. The partnership will seek to empower the senior level professionals in the Finance & Accounts departments of large and growing. corporate/ ICT projects in international companies through designing the processes to advising them on various new trends to execution of the processes.
- Datamatics was featured In the Prestigious 2012 Global Services 100 Survey List. The four categories it featured in include: Global BPO Niche Leaders, Leading specialty KPO service providers, Leading Mid-tier FAO Vendor and Industry-specific BPO Niche Leaders.

SIGNIFICANT AWARDS & ACHIEVEMENTS

In 2012-13 and as on date, the Company has received various awards, some of which are given below:

- Your Company received the **"Most Valuable IT Software Company in India"** award at the 4th Annual India Leadership Conclave & Indian Affairs Business Leadership Awards, 2013;
- Your Company was recognized among the top league by Data Quest Top 20. It has been ranked 6th in the 'highest growth companies' segment 2012 survey;
- Datamatics was ranked 14th in the category of 'Dream Companies to Work For' instituted by "HR Awards at 21st Edition World HRD Congress 2013";
- Datamatics was awarded the "HR Awards at 21st Edition World HRD Congress 2013" for the category 'The Fun @ Work';
- Datamatics Corporate Communication Department won the "Best Communications Campaign" award at the Corporate Excellence Awards 2013, for an in-house employee empowering campaign;

- Datamatics' Legal Department won the Best In-House Award for Technology & Innovation at the 'Corporate Counsel Leadership Summit & Awards 2013' for the in-house developed global contract management software & services;
- Dr. C. M. Dwivedi, Global Head - HR & CSR, was awarded with "HR Awards at 21st Edition World HRD Congress 2013" for the two categories as 'The Greatest Corporate Leader of India' and 'The 50 Most Talented Global HR Leaders in India';
- Ms. Divya Kumat, Vice President–Legal & Company Secretary was adjudged as the First Runner Up for the 'Woman General Counsel of the Year' organized by the Legal Counsel Congress & Awards India 2013;
- Ms. Divya Kumat, Vice President–Legal & Company Secretary won the "Leading Women Owned Innovative Project" award at the iiGlobal Women Leaders in India Awards, 2013 for the unique IPR Win in the US for protection of our brand name DATAMATICS;
- Ms. Varad Kamini, Head - Marketing Communication won the "Leading Women Chief Marketing Officer award" at the iiGlobal Women Leaders in India Awards, 2013 for the MarCom achievements;
- Ms. Varad Kamini, Head - Marketing Communication won the 'Corporate Communications Professional of the Year' award at the CMO Asia Awards for Excellence in Branding & Marketing, at Singapore;
- Ms. Ankita Singh, received an award 'HR Awards at 21st Edition World HRD Congress 2013' for the category of 'Young HR Professional of the Year'.

QUALITY

Your Company continues to focus on quality. Your Company is the only I.T. Company to have won the International Asia Pacific Award for Quality for Services. 38 countries that included USA, Canada, Russia, Japan and Australia, countries that border the Pacific Ocean competed for this Award. This is a feather in the cap of your Company. Further significant initiatives of your Company towards quality are:

1) Six Sigma Initiative

Six Sigma is a performance improvement methodology adopted by high-performing companies all over the world to make their processes efficient, robust and defect free and improve productivity and cost effectiveness exponentially. This methodology employs the cycle of Define, Measure, Analyze, Improve and Control abbreviated and better known as DMAIC to drive these improvements. Your organization's Six Sigma initiative continues to deliver significant benefits to the Organization in terms of improvements in Productivity, Efficiency, Quality and Customer Satisfaction. Overall 291 Six Sigma Projects and 1465 Kaizen Projects have been completed since the launch of this initiative in 2007. Last year, One of the improvement projects were ranked within top 5 projects out of around 80 projects in QIMPRO Convention 2012.

The vigor of the previous year continued in accomplishing Productivity and Performance improvements through Six Sigma Initiatives. This initiative has under its umbrella all productivity improvements using the Six Sigma methodology, as well as using any other methodology, and Kaizen type of improvements. In the last financial year, an overall benefit, including tangible and intangible benefits, of ₹20 million with an ROI of more than 200% was achieved through these performance improvement methodologies.

The Company already has about 14 Six Sigma Green Belt and 20 Six Sigma White Belt certified professionals along with 3 Six Sigma Black Belt and 1 Six Sigma Master Black Belt certified professionals. The Company spent over 4500 person hours of trainings around Continuous Improvement in the last financial year.

2) Certifications

Last financial year, we kept true to our commitment of designing and implementing our Quality Management Systems as per the global benchmarks. We were successfully assessed for CMMi Version 1.3 Level 3 requirements by SEI through KPMG after rigorous assessment spanning more than 60 person days. In addition, we were successful in retaining the ISO 9001:2008 certification. This certainly helps to bring our Quality Management Systems and Processes in line with the global best practices.

In addition, we were successful in retaining the ISO 27001:2005 certification for our Information Security

Management Systems. Our US unit has been certified compliant to PCI standard requirements. We have further strengthened our Information Security Management Systems (ISMS) by incorporating the guidelines of and getting certified for international and rigorous standards like SSAE 16 and HIPAA.

3) **Customer Satisfaction Tracking**

The Customer Satisfaction and Loyalty index measuring process that we launched in 2012 continues to provide invaluable insights into our Customer's expectations and our performance vis-à-vis these expectations. This is a wholly automated process and it speeds up the entire process of capture and analysis of the feedback received from the Customer. This is done once in a quarter and captures Customer's feedback on a wide range of parameters that encompass each aspect of service excellence. We feel proud to share with you that overall our Customer Satisfaction Index has been 4.82 on a scale of 1-6 with a number of Customers rating us a perfect 6/6.

4) **Metrics and Process Compliance Index**

Metrics is a concept of measuring Delivery Index for each Line of Business (LOB) and each Support Department. The Quality of all deliverables is monitored on a regular basis and a feedback is given to the Department Heads. This index not only provides the snapshot health of a LOB but also provides a mechanism to compare various LOBs. It incorporates the three key indicators of performance of any project viz Quality, Effort and Schedule adherence. Tracking and using the Delivery Index has helped the Organization significantly to focus on improving key processes.

In addition, regular Process Compliance checkups and speedy follow-ups on the Corrective and preventive actions have helped us significantly to keep non-compliances in check and thereby reduce rework and defects at the source.

We also introduced Quality Gates Mechanism to ensure that we are adhering to process requirements and deliverables at each of the critical stages of the Project. A regular review of this with Senior Management ensures that the processes are on track.

In order to create processes at par with global best practices, we have tied up with a number of global forums such as ISBSG, CSI and PMI to understand and benchmark ourselves against key metrics. This also involves a re-look and implementation of state-of-art processes and methodologies around requirements management, Estimation, Decision Analysis and review processes and Risk Management. Our metrics are regularly re-visited and revised to incorporate the current performance levels as well as best-in-class levels.

PROCESS ENGINEERING (PE) CELL

PE Cell of Datamatics, the core R&D cell, made a significant progress this year. There are several milestones achieved for its flagship product iQ and its variants. We had a few large wins with i-Q when integrated with ePM workflow and Robokey based applications.

i-Link is the latest variant released to capture the information of the people on Linked In which will help sales team to connect faster to their prospects. PE Cell implemented projects for some strategic Domestic clients like – MMRDA, Adani Enterprises, VFS and Major Banks making our domestic foot print stronger.

Artificial Intelligence based framework of iQ was utilized by the in-house production teams for prestigious clients in online retail space like Walmart and eBay.The same innovative solution was also put in use for a couple of US banks, US Tax Return Processing, German BFS, fast growing Opera Solutions from US.

iQ was successfully integrated with Open Source workflow platforms like Alfresco besides having already integrated with SAP, Oracle, Filenet, Documentum, Share point and therefore it is expected to garner better attention across the globe.

SHARE CAPITAL

As on March 31, 2013, the Paid-up Share Capital of the Company is ₹294,746,685/- divided into 58,949,337 equity shares of ₹5/- each fully paid up. During the year there has been no change in the Paid up capital of the Company.

DIRECTORS

Retirement of Directors by rotation

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Mr. R. K. Saraswat and Mr. Sudhir C. Deshpande retires by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Re-appointment of Executive Directors

- The tenure of Mr. Sameer L. Kanodia, Executive Director of the Company expired on January 30, 2013. The Board of Directors at their meeting held on January 29, 2013 re-appointed Mr. Sameer L. Kanodia as an Executive Director of the Company for further period of 5 (five) years with effect from January 30, 2013 subject to the approval of members in the ensuing Annual General Meeting. The notice convening the Annual General Meeting includes the proposal for re-appointment of Mr. Sameer L. Kanodia.

- The tenure of Mr. Vidur V. Bhogilal, Executive Director & CFO of the Company expired on May 12, 2013. The Board of Directors at their meeting held on May 23, 2013 re-appointed Mr. Vidur V. Bhogilal as Executive Director & CFO of the Company for further period of 5 (five) years with effect from May 12, 2013 subject to the approval of members in the ensuing Annual General Meeting. The notice convening the Annual General Meeting includes the proposal for re-appointment of Mr. Vidur V. Bhogilal.

AUDITORS

The Statutory Auditors, M/s. Kanu Doshi Associates, Chartered Accountants, Mumbai, hold office until the conclusion of the forthcoming Annual General Meeting and have confirmed their eligibility and willingness to accept the office of the Auditors, if re-appointed.

INFORMATION ON AUDITORS' OBSERVATIONS:

Observations of Auditors mentioned in the Independent Auditors Report under the heading 'Emphasis of Matter' regarding the non-provisioning for the diminution in the value of investments in the subsidiaries has been adequately explained in Note No. 42 of Notes of Accounts. The investments in subsidiaries are for long term and are of strategic nature. The management is confident of turning around the other subsidiaries as well in near future. Hence, it is decided not to make any provision for diminution in the value of investment made in the subsidiaries. The other observations are self-explanatory and do not require to be further commented upon in this report.

AUDIT COMMITTEE

The Audit Committee of the Board of Directors reviews, acts upon and reports to the Board of Directors with respect to various auditing and accounting matters. The primary responsibilities of the Committee are compliance with legal and statutory requirements, auditing and accounting matters, integrity of company's financial statements, performance of company's internal audit functions and accounting practices and review of related party transactions.

All the members of our Audit Committee are independent Directors and financially literate. Our CFO & Executive Director Mr. Vidur V. Bhogilal and other corporate officers make periodic presentations to the Audit Committee on various issues. The present Audit Committee of the Board comprises of Mr. R. K. Saraswat, Mr. Sudhir C. Deshpande and Mr. Shahzaad S. Dalal. Mr. R. K. Saraswat is the Chairman of the Committee.

CORPORATE GOVERNANCE

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

DISCLOSURE UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956

I. CONSERVATION OF ENERGY:

The information required in connection with conservation of energy, under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, the Directors furnish herein below the required additional information:

(a) Conservation of Energy - Our Company being in

IT & ITeS industry, our operations are not energy intensive. Adequate measures have been taken to conserve energy.

(b) There were no additional investments and proposals if any, being implemented for reduction of consumption of energy as the nature of you Company's operations entails a very low level of energy consumption.

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods – N.A.

(d) Total energy consumption and energy consumption per unit of production – N.A.

FORM A: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY

A. Power and fuel consumption: NIL

B. Consumption per unit of production: NIL

II. TECHNOLOGY ABSORPTION

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.

FORM B: FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION ETC.,

I Research & Development (R&D): Your Company is predominantly a service provider and therefore has not set up a formal R&D unit. However, it continues to develop software tools and products in its existing delivery setup.

II Technology Absorption, Adaptation and Innovation: Your Company has not imported any technology during the year under review other than purchase of software.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

I. Earnings in Foreign Exchange during the year: ₹1,753.85 million

II. Foreign Exchange outgo during the year: ₹116.28 million.

EMPLOYEE STOCK OPTION PLANS (ESOP)

The details of ESOP required to be provided as per clause 12 of the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are as per Annexure "A" to this report.

HUMAN RESOURCES MANAGEMENT

The HR is a strategic partner in Datamatics, HR system's and processes are designed in such a way so as to contribute maximum to the accomplishment of the strategic business objectives. This strategic partnership provides direction and key impetus to various HR areas in the organization like recruitment, performance management, reward and recognition and pay for performance/incentives. We believe that Excellence is a journey and not just a destination. We recognize and honor excellence, through award functions, encouraging appraisal systems, employee benefit schemes, pay for performance/incentives and much more. All HR activities are designed around the HR mission of **"We will ensure customer satisfaction by executing best people practices with passion and innovation".**

HR here plays an integral role in organizational success by establishing the organizational culture and climate and sustaining a work environment where employees are motivated and willing to go the extra mile at work. Fostering effective methods of goal setting, communication and empowerment through responsibility, builds employee belongingness to the organization. Inspiring the employee's to learn, collaborate and feel confident to explore their boundaries empowers future leaders to achieve high performance and paves the way for growth. HR strategies are focused around building capability and closing gaps.

Though HR practices do not directly influence the bottom line of the organization, they do so indirectly by influencing the morale of the employees.

The manpower strength of your Company was 4,344 employees.

EMPLOYEE RELATIONS

To maintain the hands on approach of HR, we have a Unit HR Head for each unit/facility of the Company. When it comes to employee issues, the business units really need a dedicated

HR member assigned to them, to handle their issues who are working on the same unit/facility as them and very easily accessible. We think this model allows us to provide high service levels to employees and also allows us to get first hand information on employee issues, reactions to organizational initiatives and feedback of the organizational policies. Acting as a link between management and employee's the role of dedicated employee relations team is to build a healthy environment which is conducive to performance. On an ongoing basis, this team identifies and recommends to the management, necessary measures to maintain a positive climate and improve performance levels.

Josh:

'Josh' team of the Company is responsible for involving the organisation as a whole in several fun and joy activities. This team ensures that the activities in the organization add to the productivity and morale of the human resource force in the Company. A large section of our employees are youngsters. To break the monotony and bring in vibrancy, Josh events are organized across all locations as per a fixed calendar. These Josh activities are categorized into festival celebrations, sports, health & safety, CSR, fun & joy. Josh is synonymous with energy, enthusiasm, excitement, invigoration, vitality, and life itself.

Reward and Recognition:

Reward and Recognition help to sharpen the winning edge through people and thereby stimulate a culture of high performance. Therefore, our constant endeavor is to seek, groom, nurture, facilitate and suitably reward & recognize individuals and teams who make significant contributions to business. The objective of this is to set the guidelines for motivating high performing individuals and teams by conferring appropriate awards like:

Spot Awards: Spot Awards are introduced to ensure that the tempo of high performance does not go unnoticed. There are 3 kinds of spot awards:- a) Individual Spot Award; b) Team Awards; c) Employee of the month.

Annual Awards: Datamatics believes in the need to recognize top performers and in a companywide ceremony held every year. There are various categories of awards like merit, excellence to leadership awards catering to each area of the business.

CORPORATE SOCIAL RESPONSIBILITY

Acting responsibly towards the society is a part of the Datamatics DNA. Datamatics has always been a strong proponent of being a socially responsible company. This approach has culminated in the formation of our Corporate Social Responsibility (CSR) initiative, christened as **'ASHA'**.

To reflect the ideology behind this initiative, we have created the **'ASHA'** Logo. The logo embodies the Datamatics' personality with the 'DG' brand mark and 'ASHA' written in the same typography as Datamatics; while sun rays around the 'DG' brand mark depict 'ray of hope'.

Corporate citizenship is an essential part of the organization. Our Payroll Giving Program was initiated for employees to donate a small part of their salaries towards our CSR initiatives. This voluntary activity has displayed the open-heart & righteous attitude of every employee of Datamatics. The participation brings forth a community of champions coming together for the wellness of society.

The program being voluntary, gives the employees an option to change or discontinue their monthly contributions.

In the past, we have pioneered the unique 'Knowledge Associate' model. This program has been supporting capable and talented differently-abled professionals and those who otherwise were unable to grow professionally due to personal commitments.

Now, to take our social responsibility initiative further, we have identified the areas that we would like to focus viz., **Employability & Environment**. Realizing the criticality of these on the quality of life of the communities that we serve, we would like to support these two causes on a long-term basis.

GO GREEN INITIATIVE

The Ministry of Corporate Affairs has recommended a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies after considering Sections 2, 4, 5 and 81 of the Information Technology Act, 2000 for legal validity of compliances under Companies Act, 1956 through electronic mode.

To augment the green initiative of the Ministry of Corporate Affairs and to reduce carbon foot print, your Company sends various communication including the Annual Reports

in electronic form, to the members who have opted for the same. This helps in reducing the number of physical copies to be printed, thereby contributing to a greener environment. The full text of the current year's (2012-13) annual report will also be available on our website: www.datamatics.com. In case any of the shareholders would like to receive physical copies of these documents, the same shall be forwarded on written request to the Registrars M/s. Datamatics Financial Services Limited.

PARTICULARS OF EMPLOYEES

Information pursuant to Section 217(2A) of the Act read with the Companies (Particulars of Employees) Rules, 1975, as amended by the Companies (Particulars of Employees) Amendment Rules, 1999 forms part of this Report. However, as per the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Report and Accounts are being sent to all members of the Company excluding the aforesaid information. Any member desirous of obtaining this information may write to the Company Secretary at the Corporate Office of the Company.

ACCEPTANCE OF FIXED DEPOSITS

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

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 217(2AA) of the Companies Act, 1956, it is hereby stated that:

1. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
2. the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of your Company at the end of the financial year and of the profit or loss of the Company for that year;
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities; and
4. the Directors have prepared the annual accounts on a going concern basis.

ACKNOWLEDGEMENTS

The Directors thank the Company's customers, suppliers, vendors, bankers, financial institutions, Central and State Government of India and Governments of various countries where we have our operations for their continued support during the year. We place on record our appreciation of the contribution made by our employees at all levels. Our consistent growth was made possible by their hard work, solidarity, cooperation and support.

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

Place : Mumbai
Date : May 23, 2013

Annexure "A"

The details of the Employees Stock Options Plan required to be provided as per Clause 12 of the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as on March 31, 2013 are as follows:

Particulars	Key ESOP 2006	General ESOP 2007	Key ESOP 2007	General ESOP 2011	Key ESOP 2011
Options Granted	116,000	Nil	300,000	Nil	Nil
Pricing Formula	Exercise price of the options is ₹5/- per share	Exercise price of the options shall be the price at discount of 20% of Market price which shall be latest available closing price	Exercise price of the options is ₹5/- per share	Exercise price of the options shall be the price at discount of 20% of Market price which shall be latest available closing price	Exercise price of the options is ₹5/- per share
Options Vested	6,440	–	20,960	–	–
Options Exercised	6,440	–	20,960	–	–
Total Number of share arising as a result of exercise of options	6,440	–	20,960	–	–
Options lapsed	70,000	–	68,000	–	–
Variations of terms of options	The vesting schedule was modified as following: 1st vesting date- on completion of 12 months – 20% of total options granted. 2nd vesting date- on completion of 24 months – 30% of the total options granted. 3rd vesting date- on completion of 36 months – 50% of the total options granted.	The vesting schedule was modified as following: 1st vesting date- on completion of 12 months – 20% of total options granted. 2nd vesting date- on completion of 24 months – 30% of the total options granted. 3rd vesting date- on completion of 36 months – 50% of the total options granted.	The vesting schedule was modified as following: 1st vesting date- on completion of 12 months – 20% of total options granted. 2nd vesting date- on completion of 24 months – 30% of the total options granted. 3rd vesting date- on completion of 36 months – 50% of the total options granted.	–	–
Money realized by exercise of options	32,200	–	104,800	–	–
Total number of options in force	39,560	Nil	211,040	Nil	Nil

Employee-wise details of options granted to senior managerial personnel: -

- **Key Employee Stock Option Plan 2006**

Following options were granted and fully exercised under the Key Employee Stock Option Plan 2006 in the meeting of the Compensation Committee held on March 30, 2007.

Sr. No.	Name of the Director or Key Managerial Personnel	No. of options granted*
1	Sunil Dixit	15,000
2	Prashant Prabhu	10,000
3	Dalbir Virdi	10,000
4	Divya Kumat	5,000
5	Rajesh Agarwal	5,000
	TOTAL	**45,000**

(*) The above list does not contain the name of the ex-employees whose options have been exercised or lapsed on resignation.

Following options were granted under the Key Employee Stock Option Plan 2006 in the meeting of the Compensation Committee held on August 14, 2011.

Sr. No.	Name of the Director or Key Managerial Personnel	No. of options granted**
1	Rajesh Kumar Agarwal	16,000
2	Ulhas N Kulkarni	18,000
3	Sandeep Arora	12,000
	TOTAL	**46,000**

(**) The above list contains the name of the ex-employees whose options have been exercised or lapsed on resignation.

- **Key Employee Stock Option Plan 2007**

Following options were granted under the Key Employee Stock Option Plan 2007 in the meeting of the Compensation Committee held on August 14, 2011.

Sr. No.	Name of the Director or Key Managerial Personnel	No. of options granted(***)
1	Dr. Chandra Mauli Dwivedi	25,000
2	Krishna Tewari	29,000
3	Nakul Passi	21,000
4	Michael Thuleweit	45,000
5	Sandeep Arora	15,000
6	Sunil Dixit	29,000
7	Prashant Prabhu	29,000
8	Santosh Shenoy	9,000
9	Srinivasan Krishnamoorthy	16,000
	TOTAL	**2,18,000**

(***) The above list contains the name of the ex-employees whose options have been exercised or lapsed on resignation.

- Any other employees who receive a grant in any one year of option amounting to 5% or more option granted during the year – NIL.
- Identified employees who were granted option, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant – NIL.

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

Place : Mumbai
Date : May 23, 2013

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is the set of systems, principles and processes by which a Company is governed. It is about commitment to values and ethical business conduct. It provide the guidelines as to how a Company can be directed or controlled such that it can fulfill its goals and objectives in a manner that adds to the value of the Company and is also beneficial for all stakeholders in the long term.

Datamatics's Corporate Governance is based on principles of integrity, fairness, transparency, due compliance with all the laws, accountability, responsibility and commitment to conducting business in an ethical manner. The above principles have been the guiding force for whatever Datamatics does and shall continue to be so in the years to come.

The visionary founders of Datamatics have laid the foundation stone for good governance long back and made it an integral principal of the business, as shared in the words above.

2. BOARD OF DIRECTORS:

(a) **Composition of Board:**

The Board of Directors has an optimal blend of Executive and Independent Directors who are eminent persons with varied professional background and experience. The Board of Datamatics Global Services Limited (DGSL), is entrusted with the responsibility of managing, directing and performing at the best-level. As on March 31, 2013, the Company's Board consists of nine directors with an Executive Chairman, out of which four directors are Executive and five are Non-Executive Independent Directors, which is in conformity with Clause 49 of the Listing Agreement.

The present composition of Company's Board and their respective Directorship is as follows:

Name	Designation	Category	Number of Directorships in other companies [1]	Number of committee positions held in other companies [2]	
				Chairman	Member
Dr. Lalit S. Kanodia	Chairman & Whole time Director	Promoter Executive	3	–	–
Mr. Rahul L. Kanodia	Vice Chairman & CEO	Non-Independent Executive	2	–	–
Mr. Vidur V. Bhogilal	Executive Director & CFO	Non-Independent Executive	2		
Mr. Sameer L. Kanodia	Executive Director	Non-Independent Executive	–	–	–
Mr. R. K. Saraswat	Director	Independent Non-Executive	3	1	1
Mr. Shahzaad S. Dalal	Director	Independent Non-Executive	9	1	4
Mr. Sudhir C. Deshpande	Director	Independent Non-Executive	1	–	–
Dr. Habil F. Khorakiwala	Director	Independent Non-Executive	2	–	–
Mr. Dileep C. Choksi	Director	Independent Non-Executive	7	2	5

[1] Directorship excludes Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 25 of the Companies Act, 1956.

[2] This includes the Chairmanships/Memberships only in the Audit Committee and Shareholders' Grievance Committee of all listed and unlisted companies.

None of the Director on the Board is a member of more than 10 Committees or Chairman of more than 5 Committees as specified in Clause 49 across all the Companies in which he is a Director.

(b) **Board Meetings**

The dates of Board Meetings are finalized in consultation with all directors. The Company prepares the agenda backed up by comprehensive notes and detailed background information and explanatory notes. Every Director is free to suggest inclusion of items on the agenda. Urgent matters which cannot be postponed till conducting the next Board Meeting get approved by the Board by passing resolutions through circulation. All such circular resolutions are getting placed before the Board in the immediate next Board Meeting. The compliance reports of applicable laws and the minutes of the meetings of the Audit Committee, Investors Grievance Committee and other board committees are placed before the Board at regular intervals. The Board meets, at least four times during the financial year, mostly at quarterly intervals *inter-alia* to review quarterly financial statements and other items on the agenda. Those members of the Board, who are unable to participate in the Board Meetings in-person generally, participate in the meeting through tele-conferencing or video conferencing. Other executives and divisional head are generally invited at the meetings on as needed basis. In terms of Clause 49(I)(c) of the Listing Agreement, the gap between two Board Meetings has not exceeded four months.

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

During the financial year 2012-2013, 5 (Five) Board Meetings were held viz. on May 30, 2012; August 08, 2012; September 26, 2012; November 07, 2012 and January 29, 2013.

The attendance of each Director at Board Meetings for the financial year 2012-2013 and last Annual General Meeting are detailed as under:

Name of the Director	No. of Board Meetings Attended	Attendance at the last Annual General Meeting held on September 26, 2012
Dr. Lalit S. Kanodia	5	Yes
Mr. Rahul L. Kanodia	5	Yes
Mr. Vidur V. Bhogilal	5	Yes
Mr. Sameer L. Kanodia	4	Yes
Mr. R. K. Saraswat	5	Yes
Mr. Shahzaad S. Dalal	2	No
Mr. Sudhir C. Deshpande	5	Yes
Dr. Habil F. Khorakiwala	2	No
Mr. Dileep C. Choksi	3	Yes

(c) **Details of Directors seeking appointment/re-appointment:**

In accordance with the provisions of the Companies Act, 1956 and that of Articles of Association of the Company, Mr. R. K. Saraswat and Mr. Sudhir C. Deshpande, Directors are retiring by rotation and, being eligible, offer themselves for re-appointment.

Brief profile of the directors seeking appointment and re-appointment are as under:

Mr. R. K. Saraswat

Mr. R. K. Saraswat is a graduate in Commerce and a Fellow Member of The Institute of Chartered Accountants of India. He has over 35 years of experience in Finance & Accounts. Prior to his retirement from Datamatics Limited as director (Finance), he was the President of S. M. Dyechem Limited and Senior Vice President of Grasim, where he was engaged in setting up their Manglore Refinery Project.

Mr. R. K. Saraswat holds 1,000 equity shares constituting 0.0016% of the total paid up capital of the Company.

Besides being a Director of the Company, Mr. R. K. Saraswat is also director of the following companies:

1. Priya Limited
2. Datamatics Software Services Limited
3. Vinati Organics Limited
4. Datamatics Direct Marketing Private Limited

Mr. Sudhir C. Deshpande

Mr. Sudhir C. Deshpande is an engineer from University of London — Civil Engineering Branch. Mr. Deshpande completed his mechanical engineering (M. Phil) from King's College, University of London. He has obtained certificate of post graduate study in engineering from University of Cambridge, UK. He has over 40 years of experience in design engineering. Moreover, he specializes as a soil consultant especially in soil testing techniques.

Besides being a Director of the Company, Mr. Sudhir C. Deshpande is also a director of the following companies:

1. Sewri Consultants Private Limited
2. Bombay Collaborative Urban Design and Conservation Private Limited
3. Sadafuli Finstock Private Limited
4. Datamatics Software Services Limited

Mr. Sameer L. Kanodia

Mr. Sameer L. Kanodia is a B.Sc. in Business Administration from Bryant University, USA, with Marketing as a major, graduating with honors. Among the honors he earned during his undergraduate years was being featured in the Dean's List throughout the program. Mr. Sameer L. Kanodia subsequently received his Masters in Business Administration from Bryant University, USA, with Finance as a major. He is currently serving on the Board of Trustees at Bryant University since February 2008.

During his association with the Company and under his leadership, the Company has successfully expanded its operations in Tier II cities viz. Nashik and Puducherry. The Nashik facility has grown into the single largest facility under one roof. Apart from being actively involved in the operations of the Company, Sameer drives various strategic initiatives, expansion plans and go-to-market strategies.

Mr. Sameer L. Kanodia holds 1,475,858 equity shares constituting 2.50% of the total paid up capital of the Company.

Besides being a Director of the Company, Mr. Sameer L. Kanodia is also a director of the following companies:

1. Varsha Infrastructures Private Limited
2. Delta Infosolutions Private Limited

Mr. Vidur V. Bhogilal

Mr. Vidur V. Bhogilal is a qualified Chartered Accountant (CA) and Cost Accountant (ICWA) from India & Certified Public Accountant (CPA) from the U.S. He is also a law graduate. Mr. Bhogilal stood first in India in the CPA Examination. He was also a rank holder in the CA and ICWA examinations. He was awarded a gold medal for securing the highest scores in the ICWA final examination for the Quantitative Techniques and Management Information Systems subject. He has over 16 years of rich experience in audit, taxation, accounting, legal and acquisitions. Mr. Bhogilal has earlier held the post of Chief Financial Officer (CFO) of Datamatics Technologies Inc., a wholly owned subsidiary of Datamatics Global Services Limited in the U.S. During his tenure with Datamatics Technologies Inc. he was actively involved in the acquisitions of US companies and had played a key role in the merger of the Datamatics' US entities. He has also worked with JM Morgan Stanley and Arthur Anderson, amongst other organizations.

Mr. Vidur V. Bhogilal holds 1,769,821 equity shares constituting 3.00% of the total paid up capital of the Company.

Besides being a Director of the Company, Mr. Vidur V. Bhogilal is also a director of the following companies:

1. Datamatics Vista Info Systems Private Limited
2. Datamatics Software Services Limited
3. Cybercom Datamatics Information Solutions Limited
4. American Dental Practices Private Limited
5. Gargi Investments Private Limited

3. COMMITTEES OF BOARD:

The Board has constituted committees comprising of executive, non-executive and independent directors to focus on critical functions of the Company and also for smooth and efficient business operations. The Board is responsible for constituting, assigning, co-opting and fixing the terms of reference of these committees

in line with the laws of the land. The Committees meet at regular intervals for deciding various matters and providing directions and authorizations to the management for its implementation. The Board also takes note of the minutes of the meetings of the committees duly approved by their respective Chairman and the material recommendations/decisions of the Committees are placed before the Board for approval / information. The Company Secretary acts as Secretary to all these Committee Meetings. During the year, the Board had three committees, viz.

1. Audit Committee
2. Remuneration/Compensation Committee
3. Shareholders' Grievance Committee/Share Transfer Committee

Audit Committee

The Audit Committee comprises of non-executive and independent directors who are well versed with finance, accounts, corporate laws, and general business practices. Mr. R. K. Saraswat, Chairman of the Committee is an independent director and has related finance and accountancy expertise. The Audit Committee was constituted to ensure prudent financial and accounting practices, fiscal discipline and transparency in financial reporting. The Committee performs the functions enumerated in Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956. The Committee lays emphasis on adequate disclosures and compliance with all relevant statutes.

Terms of Reference

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

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

iii. Review of quarterly, half yearly and yearly financial statements 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.

iv. Review with the management, auditors the adequacy of internal control systems.

v. Discussions with the Statutory Auditors on matters relating to internal controls, periodic financial statements and any significant findings and follow up thereon.

vi. 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.

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

viii. 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.

ix. 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.

x. Any other terms of reference as may be included from time to time in Clause 49 of the Listing Agreement

Meetings of Committee

During the year under review, the Audit Committee met on 4 (Four) times on May 30, 2012; August 08, 2012; November 07, 2012 and January 29, 2013.

Composition of the Committee and attendance of each member at the meetings held during the financial year was as under:

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

Chief Executive Officer, Chief Financial Officer and representatives of the statutory auditors are generally invited to attend the meetings of the Audit Committee.

Compensation/Remuneration Committee

Terms of Reference

The Compensation/Remuneration Committee comprises of non-executive independent directors and an executive director. The Committee determines, reviews and recommends remuneration payable to executive directors/ whole time director in addition to reviewing overall compensation structure and policies of the Company with a view to attract, retain and motivate employees, consider granting of stock options to employees, reviewing compensation levels of the Company's employees vis-à-vis other companies and industry in general. The Committee is also entrusted with the responsibility of administering and monitoring ESOP Schemes of the Company. The Company Secretary acts as a Secretary to the Committee.

The Committee has been entrusted with following responsibilities:

1. All matters relating to the compensation (including annual increments, incentives and revision in salary) payable by the Company to the senior executives in the Company's grade M12 and above as also the remuneration payable to the Directors.
2. Appointment and transfers of employees in the Company's grade M12 and above shall require approval of the Committee.
3. Administration of ESOP schemes of Company and issue/transfer of shares under the ESOP schemes.

Remuneration Policy

The Executive Directors and other whole time directors are paid remuneration by way of salary, commission, perquisites, incentives and allowances, as recommended by the Committee and Board of Directors and approved by the Members of the Company from time to time. The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing Industry practice. Non-Executive Directors are paid remuneration by way of sitting fees for attending meeting of the Board of Directors and the Committees of the Board of Directors. Non-Executive Directors are also paid remuneration by way of commission out of profits of the Company in terms of the Members approval granted under Section 309(4)(b) of the Companies Act, 1956, at the Annual General Meeting held on June 28, 2005.

Details of remuneration paid to directors during the year under review are as under:

(Amt. in ₹)

Name of the Directors	Category	Salary, Allowances and Perquisites	Sitting Fees	Commission
Dr. Lalit S. Kanodia	Executive Director	5,341,310	–	2,645,914 (Note 1)
Mr. Rahul L. Kanodia	Executive Director	7,841,962	–	2,645,914 (Note 1)
Mr. Vidur V. Bhogilal	Executive Director	8,244,057	–	–
Mr. Sameer L. Kanodia	Executive Director	5,704,981	–	–
Mr. R. K. Saraswat	Non-Executive Independent Director	–	120,000	175,000
Mr. Shahzaad S. Dalal	Non-Executive Independent Director	–	50,000	100,000
Mr. Sudhir C. Deshpande	Non-Executive Independent Director	–	120,000	175,000
Dr. Habil F. Khorakiwala	Non-Executive Independent Director	–	40,000	75,000
Mr. Dileep C. Choksi	Non-Executive Independent Director	–	60,000	125,000

Note 1: The Commission relates to the financial year ended March 31, 2012, which was paid during the year 2012-2013.

Meetings of the Committee

During the year under review, the Committee met on 4 (Four) times on May 30, 2012; September 15, 2012; November 07, 2012 and January 29, 2013.

Composition of the Committee and attendance of each member at the meetings of the Committee held during the year was as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. Sudhir C. Deshpande – Chairman	Non-Executive Independent Director	4	4
Dr. Lalit S. Kanodia	Member	4	4
Mr. Shahzaad S. Dalal	Member	4	2
Mr. R. K. Saraswat	Member	4	4

Shareholders' Grievance Committee/Share Transfer Committee

Terms of Reference

The Shareholders' Grievance/Share Transfer Committee comprises of non-executive independent directors. The main objective of the Committee is to strengthen Investor Relations. The Committee specifically looks into the redressal of shareholders and investors complaints like transfer / transmission of shares or credit of shares, non-receipt of annual reports/ notices/declared dividends etc. and other secretarial compliances relating to share capital of the Company under the listing agreement etc. The Committee oversees performance of the Registrars and Transfer Agents of the Company and looks into matters which can facilitate better investor services and relations.

Meetings of the Committee

During the year under review, the Committee met 4 (Four) times on November 06, 2012; November 16, 2012; December 12, 2012 and March 11, 2013.

Composition of the Committee & attendance of each member at the meetings of the Committee held during the year was as under:

Name of the Member	Category	No. of Meetings	
		Held	Attended
Mr. R. K. Saraswat – Chairman	Non-Executive Independent Director	4	4
Mr. Sudhir C. Deshpande	Member	4	4

Compliance Officer

The Board has designated Ms. Divya Kumat, Company Secretary as the Compliance Officer for complying with the requirements under SEBI (Prohibition of Insider Trading) Regulations, 1992 and under the Listing Agreement with Stock Exchanges. The Company Secretary also acts as a secretary to the Committee.

The following table shows the nature of complaints received from shareholders during the financial year 2012-2013, all of which have been responded within one month.

Sr. No.	Nature of Complaints	Complaints Received & Resolved
1.	Non-receipt of share transfers sent for transfer	3
2.	Non-receipt of dividend warrants	7
3.	Non-receipt of Annual Reports/ Notices	1
4.	Complaints from SEBI, Stock Exchange	0

Subsidiary Companies

Clause 49 of the Listing Agreement relating to Corporate Governance defines a 'material non-listed Indian Subsidiary' as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year. The Company does not have any material non-listed Indian Subsidiary during the year under review. However, as a good corporate governance measures, the Company has nominated two of its non-executive independent director viz. Mr. R. K. Saraswat and Mr. Sudhir C. Deshpande, on the Board of Datamatics Software Services Limited, the wholly-owned subsidiary of the Company. The Board of Directors reviews every quarter

the financial statements of subsidiary companies. The minutes of the Board of Directors of subsidiary companies are placed before the Board of Directors of the Company on quarterly basis thereby bringing to their attention all significant transactions and arrangements entered into by the subsidiary companies.

4. GENERAL BODY MEETINGS:

Annual General Meetings

A) Location, date and time of the Annual General Meeting (AGM) held during the preceding three years are as follows:

Year	AGM	Date	Time	Location
2012	24th AGM	September 26, 2012	11.00 a.m.	Indian Merchant Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020.
2011	23rd AGM	September 15, 2011	11.00 a.m.	Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai – 400 093.
2010	22nd AGM	August 12, 2010	11.00 a.m.	Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai – 400 093.

B) The following Special Resolutions were passed at the previous three Annual General Meetings:

Year	Date of AGM	Special resolutions passed
2012	September 26, 2012	No special resolution was passed.
2011	September 15, 2011	(i) For amendment in the partial modification of earlier ESOP Schemes including Key ESOP, 2006, Key ESOP, 2007 and General ESOP, 2007 upon introduction of new ESOP schemes. (ii) For amendment in the Key ESOP Scheme, 2006 in respect of payment of Exercise Price, Performance Criteria and Vesting/Vesting Schedule of the Company. (iii) For amendment in the Key ESOP Scheme, 2007 in respect of payment of Exercise Price, Performance Criteria and Vesting/Vesting Schedule of the Company. (iv) For amendment in the General ESOP Scheme, 2007 in respect of payment of Exercise Price, Performance Criteria and Vesting/Vesting Schedule of the Company. (v) For introduction of Datamatics Key Employees Stock Option Plan 2011 for the permanent employment of the Company. (vi) For introduction of Datamatics Key Employees Stock Option Plan 2011 for the permanent employment of the Subsidiary Companies. (vii) For introduction of Datamatics General Employees Stock Option Plan 2011 for the permanent employment of the Company. (viii) For introduction of Datamatics General Employees Stock Option Plan 2011 for the permanent employment of the Subsidiary Companies. (ix) For appointment of Mrs. Priyadarshini Kanodia as a Chief Investment Officer with revised remuneration w.e.f. April 1, 2011.
2010	August 12, 2010	Formation of Datamatics Employees Welfare Trust for transfer of shares granted under the existing ESOP Schemes.

The Special Resolutions moved at the above AGMs were passed by conducting poll as demanded by a shareholder in the said respective AGM.

Postal Ballot

None of the resolutions passed at the above meetings were required to be passed through Postal Ballot.

There is no other immediate proposal for passing any resolution by postal ballot this year. The Company will comply with the requirements of postal ballot as and when such matter arises requiring approval of the Members by such process as per Section 192A and other applicable provisions of the Companies Act, 1956, read with the Companies (Passing of Resolutions by Postal Ballot) Rules, 2011, as amended.

5. DISCLOSURES:

A) Disclosures on materially significant related party transactions that may have potential conflict with the interest of company at large:

During the year under review, there were no transactions of material nature with the Promoters, Directors or the management or their subsidiaries or relatives that had potential conflict with the interest of the Company. Details of related party transactions are disclosed in the notes to the accounts as per Accounting Standard 18.

B) Details of non-compliance, if any, with regard to capital market:

The Company has complied with all the provisions of the Listing Agreement as well as the Regulations and Guidelines prescribed by the Securities and Exchange Board of India from time to time. There were no penalties imposed nor strictures passed on the Company by the Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets, during last three years.

C) Details of compliance with mandatory requirements and adoption of non-mandatory requirements of Listing Agreement:

The Company has complied with all mandatory requirements as prescribed under Clause 49 of the Listing Agreement.

D) CEO & CFO Certification:

As required under Clause 49 of the Listing Agreement, the CEO and CFO certification on the Financial Statements and other matters has been obtained from Mr. Rahul L. Kanodia (CEO) and Mr. Vidur V. Bhogilal (CFO).

6. CODE OF CONDUCT:

The Company has laid down a code of conduct, namely, “Datamatics - Code of Conduct” for ensuring compliance with the standards of business conduct and ethics. It serves as a guideline in critical areas such as conflict of interest, confidentiality, etc. It applies to all Board Members, senior employees, other employees of the company and its subsidiaries worldwide. All the Board members and the Senior Management personnel have affirmed compliance with the code for the year 2012-2013. A declaration to this effect signed by the Chief Executive Officer is given in this report. The Code has also been posted on Company’s website: www.datamatics.com.

7. PROHIBITION OF INSIDER TRADING POLICY:

The Company has comprehensive guidelines on prevention of insider trading in line with the SEBI (Prohibition of Insider Trading) Regulations, 1992. The Company’s code of conduct for prevention of insider trading, *inter-alia* prohibits purchase/sale of shares of the Company by certain employees [identified as designated employees] and directors while in possession of price sensitive information in relation to the Company, pre-clearance of trading in shares in excess of prescribed quantity. The Company announces closure of trading window, free period, declaration of prohibited period etc so that trading can be prohibited by designated employees and directors. The Company takes quarterly and annual disclosure from directors and from the designated employees as mentioned in the Insider Trading Policy.

8. MEANS OF COMMUNICATION:

- Financial Results, quarterly and annual results are published by the Company in English daily ‘The Asian Age’ and in a vernacular language newspaper ‘Mumbai Tarun Bharat’.

- Financial results are also displayed on the Company's website: www.datamatics.com. Official new releases are also updated in the site.
- Key developments are communicated to the Stock Exchanges as and when they occur and also displayed on the Company's website: www.datamatics.com.

9. MANAGEMENT DISCUSSION AND ANALYSIS:

The Management Discussion and Analysis Report forms part of this Annual Report.

10. GENERAL BODY MEETINGS:

A) 25th Annual General Meeting:

Day & Date	:	Tuesday, September 24, 2013
Venue	:	Indian Merchant Chamber Hall, IMC Building, IMC Marg, Churchgate, Mumbai- 400 020.
Time	:	3.30 p.m.
Book Closure Period	:	September 19, 2013 to September 24, 2013

B) Financial Year:

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

C) Dividend Payment Date:

The Board of Directors have recommended a final dividend as **"Silver Jubilee Special Dividend"** of ₹1/- per equity share to the equity shareholders of the Company for the financial year 2012-2013 at its meeting held on May 23, 2013. If approved by the members in the Twenty Fifth Annual General Meeting, dividend will be paid to those members of the Company whose names would appear in the Register of Members on August 23, 2013.

D) Unpaid/Unclaimed Dividend:

Pursuant to the provisions of Section 205A(5) of the Companies Act, 1956, 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 205C of the Companies Act, 1956.

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	Percentage of Dividend	Date of Transfer to IEPF
2005-2006	July 26, 2006	Final	25%	August 23, 2013
2006-2007	March 23, 2007	Interim	30%	April 20, 2014
2007-2008	September 30, 2008	Final	15%	October 28, 2015
2008-2009	September 15, 2009	Final	₹1.25 per share	October 14, 2016
2009-2010	August 12, 2010	Final	₹1.25 per share	September 11, 2017
2010-2011	September 15,2011	Final	₹0.75 per share	October 14, 2018
2011-2012	September 26,2012	Final	₹0.75 per share	October 25, 2019

E) Listing on Stock Exchange:

The equity shares of the Company are listed and traded on BSE Limited and National Stock Exchange of India Limited. Listing fees have been paid to both the Stock Exchanges for the year 2012-2013.

F) Stock Code and Other related Information:

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

G) Market Price Data:

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

Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2012	28.90	26.60	32.85	26.50
May – 2012	33.20	27.25	30.90	27.00
June – 2012	33.00	28.30	32.50	28.00
July – 2012	31.25	28.75	33.60	28.30
August – 2012	37.50	29.00	35.50	29.15
September – 2012	35.00	30.15	34.60	29.50
October – 2012	29.10	29.10	33.85	26.00
November – 2012	30.20	32.05	34.55	30.10
December – 2012	28.50	30.15	33.10	29.15
January – 2013	29.80	31.55	36.00	29.85
February – 2013	28.00	28.00	32.90	27.75
March – 2013	25.50	25.70	29.95	25.10

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

H) Performance of Share Price of the Company in comparison to the BSE Sensex & NSE Nifty:

I) Investor's helpdesk, Registrar and Transfer Agent and Address for correspondence:

For lodgment of transfer deeds, dematerialization of shares, transmission, change of address, non-receipt of dividend or for any grievances/complaints, shareholders/ investors may contact at the following address:

Investors Correspondence/Compliance Officer

Ms. Divya Kumat - Vice President Legal & Company Secretary
Datamatics Global Services Limited
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
E-mail: investors@datamaticstech.com

Registrar and Transfer Agent

Datamatics Financial Services Limited
Plot No. A 16 & 17, MIDC,
Part B, Cross Lane, Andheri (East),
Mumbai - 400 093, India
Tel: 91-22-6671 2151
Fax: 91-22-6671 2250
E-mail: depository@dfssl.com

J) Share Transfer System:

The Company's equity shares which are in compulsory dematerialized (demat) form are transferable through the depository system. Equity Shares in physical form are processed by the Registrar and Share Transfer Agents, Datamatics Financial Services Limited and approved by the Share Transfer/Investors' Grievance 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.

K) Category wise Distribution of shareholding as on March 31, 2013:

Category	No. of shares	Percentage of Shareholding
Promoters & Promoters Group	42,883,848	72.75
Mutual Funds	–	–
Banks & Insurance Companies	183,390	0.31
Private Corporate Bodies	921,880	1.56
Indian Public	14,836,850	25.17
NRIs/OCBs/ Foreign Nationals	123,369	0.21
Total	**58,949,337**	**100.00**

Distribution of shareholding as on March 31, 2013:

Sr. No.	Shareholding No. of Shares		Shares	% To Capital	No. of Holders	% to No. of Holders
	From	To				
1	1	1000	2,966,838	5.03	15,730	93.38
2	1001	2000	846,829	1.44	554	3.29
3	2001	4000	821,976	1.39	281	1.67
4	4001	6000	530,843	0.90	105	0.62
5	6001	8000	307,220	0.52	44	0.26
6	8001	10000	324,563	0.55	35	0.21
7	10001	20000	546,591	0.93	40	0.24
8	20001	999999999	52,604,477	89.24	56	0.33
TOTAL			58,949,337	100.00	16,845	100.00

L) Dematerialization of shares and liquidity:

The Company's Equity Shares have been dematerialized with the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL].

The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN of the Company for its shares is mentioned above. Share dematerialized upto March 31, 2013 are as under:

No. of Shares Demated	% of Shares Demated	No. of Demat Shareholders	% of Demat Shareholders
58,532,252	99.29%	16,347	97.04%

M) ADRs/GDRs/Warrants:

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

N) Plant Locations:

Mumbai

Unit 117-120, SDF IV, SEEPZ- SEZ,
Andheri (E), Mumbai - 400 096, India
Phone : +91(022) 6102 0501-03
Fax : +91(022) 2829 1673

Unit 110, SDF IV, SEEPZ-SEZ,
Andheri (East), Mumbai - 400 096, India
Phone : +91(022) 6102 0801-02
Fax : +91(022) 2829 2330

Unit 155, SDF V, SEEPZ- SEZ,
Andheri (E), Mumbai - 400 096, India
Phone : +91(022) 6102 0933
Fax : +91(022) 2829 0755

Unit. 172 SDF VI, SEEPZ- SEZ,
Andheri (E), Mumbai - 400 096, India
Phone : +91(022) 6102 1001
Fax : +91(022) 2829 1368

Knowledge Center, Plot No. 58, Street No. 17,
MIDC, Andheri (E), Mumbai - 400 093, India
Phone : +91(022) 6102 0000-02
Fax : +91(022) 2834 3669

701 & 702, Tower II, SEEPZ ++, SEEPZ-SEZ,
Andheri (East), Mumbai- 400 096, India
Phone : +91(022) 6102 1401-02
Fax : +91(022) 2829 1673

Unit No. 189-190, SDF VI
SEEPZ-SEZ, Andheri (E),
Mumbai - 400 096, INDIA.
Phone : +91(022) 6102 1172/1361/1363
Fax : +91(022) 2829 1368

Cybercom Datamatics Information Solutions Ltd.
Unit No. 105, Multistoried Bldg,
1st Floor, SEEPZ -SEZ, Andheri (E),
Mumbai - 400 096, India.
Phone : +91 (022) 6102 1515
Fax : +91 (022) 6102 1516

Bangalore

Datamatics Vista Info Systems Private Limited
Corporation No. 7,
Albert Street, Richmond Town,
Bangalore – 560 025, India
Phone : +91 (080)2229 2815
Fax : +91 (080)6701 8111

CIGNEX Datamatics Technologies Private Limited
Silver Soft Building 1st floor,
plot no 23-24, EPIP, Phase I,
KIADP Whitefield, Bangalore - 560 066,
Karnataka, India
Phone : +91 (080)6701 6400
Fax: +91 (080)6701 6401

Chennai

Datamatics Global Services Limited
Crompton House, 3 M.G.R. Salai (K.H. Road),
Nungrambakkam, Chennai - 600 034, India
Phone : +91(44)6608 3000
Fax : +91(44)6608 3034

Ahmedabad

CIGNEX Datamatics Technologies Private Limited
2nd floor, President Plaza, Opp, Muktidham Derasar,
Thaltej Cross Road, SG Highway,
Ahmedabad-380054, Gujarat, India
Phone : +91(079)6701 0300
Fax: +91(079)6701 0301

Puducherry

Datamatics Global Services Limited
Plot No. 29-34, East Coast Road,
100 Feet Road, Saram Revenue Village,
Oulgaret Municipality, Lawspet Post,
Puducherry - 605 008, India
Phone : +91(0413)660 4500-01

Nashik

Datamatics Global Services Limited
Suyojit IT Park, Suyojit Datamatics Knowledge Centre,
Survey No. 804, Second & Third Floor,
Mumbai Agra Road, Mumbai Naka,
Nashik - 422 002, India
Phone : +91(253)6102 222/333/444
Fax : +91(253)61022 7391 (253) 6102 222/333/444

OVERSEAS LOCATIONS

USA

Datamatics Global Services, Inc.
31572 Industrial Road, Suite 100 & 400,
Livonia, MI-48150
Phone : +1(800)7179153 Fax : +1(734)5254455

Suite 210 & 240,
56 Middlesex Turnpike, Burlington MA – 01803
Phone : +1(888)7725532 Fax : +1(781)4255242

510 Thornall Street,
1st Floor, Suite 100 Metropark, NJ 08837 USA
Phone : +1(888)7725532

CIGNEX Datamatics Inc.
2350 Mission College Blvd,
Suite #490, Santa Clara, CA 950 54
Phone : +1 (408)3279900 Fax : +1 (408)2736785

Germany

Datamatics Global Services GmbH
Im Leuschnerpark 364347 Griesheim.
Phone : +49(6155) 79537-0 Fax : +49(6155) 79537-19

Datamatics Global Technologies GmbH
Im Leuschnerpark 3 64347 Griesheim.
Phone : +49(6155) 79537-0 Fax : +49(6155) 79537-19

Bosnia

Datamatics Global Services GmbH d.o.o.
Gunduliceva br. 33 Banja Luka
78 000 Bosnia and Herzegovina
Phone: +387 (51) 304 12-0

UK

Datamatics Infotech Limited
8 The Square, Stockley Park, Uxbridge, UB11 2FW
Phone : +44(208)6106105 Fax : +44(208)6106870

Mauritius

Datamatics Global Technologies Limited
3rd Floor, Harbour Front Building,
President John Kennedy Street,
Por Louis, Republic of Mauritius
Phone: (230)2125150

Australia

Datamatics Global Services Pty Limited
Monash Business Centre Pty Ltd.
468 Blackdurn Road, Glen Waverlly, Victoria 3149.
Phone : +61(03)98038722

Switzerland

Datamatics Global Technologies AG
MSJG Rechtsanwalte & Notare,
Vorstadt 32, 6302 Zug
Phone : +41(41)725 2525 Fax : +41(41)710 0585

Datamatics Global Services GmbH
c/o MSG Rechtsanwälte & Notare
Vorstadt 32 CH - 6304 Zug
Phone : +41 (41) 4101850 Fax : +41 (76) 4952403

Singapore

CIGNEX Datamatics Pte. Ltd.
#08-03, SGX Centre 2,
4 Shentonway, Singapore 068807
Phone : +65 91075519
Fax : +65 65361103

Austria

Datamatics Global Services GmbH
Warwitzstraße 9, AUT - 5020 Salzburg
Phone : +43 (662) 90 333 2002
Fax : +43 (662) 90 333 3002

O) Group Companies coming within the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1959 (54 of 1969):

The following persons constitute the Datamatics Group as per the definition of "group" as defined in the Monopolies and Restrictive Trade Practices Act, 1959 (54 of 1969), which exercises, or is established to be in a position to exercise control, directly or indirectly over the Company:

Dr. Lalit Surajmal Kanodia
Mrs. Asha Lalit Kanodia
Smt. Chandravati Surajmal Kanodia
Mr. Rahul Lalit Kanodia
Mrs. Priyadarshini Rahul Kanodia
Mr. Sameer Lalit Kanodia
Mrs. Anju Sameer Kanodia
Master Vikramaditya Rahul Kanodia
Master Anantveer Rahul Kanodia
Miss Mahika Sameer Kanodia
Miss Samaira Sameer Kanodia
Mr. Yogendra Surajmal Kanodia
Mr. Aditya Dalmia
Mrs. Aneesha Aditya Dalmia
Mr. Vidur Vishnu Bhogilal
Mrs. Amrita Vidur Bhogilal
Datascan Services
Rahul L. Kanodia (HUF)
Lalit S. Kanodia (HUF)
Yogendra Surajmal Kanodia [HUF]
Vikrant Trust
Delta Infosolutions Private Limited
Vikrant Advisory Services Private Limited
Varsha Infrastructures Private Limited
Datamatics Software Services Limited
Anemone Management Consultancy Services Private Limited
Amon Technologies Private Limited
Datamatics Staffing Services Private Limited
Datamatics Management Services LLP
Latasha Consultancy Services Private Limited
Cybercom Datamatics Information Solutions Limited
Datamatics Financial Software Services Limited
Datamatics Vista Info Systems Private Limited
Nishant Securities Private Limited
Datamatics Direct Marketing Private Limited
Datamatics Global Services Inc.
Datamatics Technologies UK Limited
Datamatics Infotech Limited
Datamatics Global Services GmbH
Datamatics Global Technologies GmbH
Datamatics Global Services Pty Limited
Datamatics Global Technologies Limited
Datamatics Global Technologies AG
Datamatics Global Holding Corp (BVI)
CIGNEX Datamatics Technologies Private Limited
CIGNEX Datamatics, Inc. (US)
CIGNEX Datamatics Pte. Limited (Singapore)
CIGNEX Datamatics Holding Corp (BVI)

The above disclosure has been made, *inter-alia*, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares & takeovers) Regulations, 2011.

Declaration regarding code of conduct by CEO

I hereby declare that all the members of the Board and the senior management personnel of Datamatics Global Services Limited have affirmed compliance with the Datamatics Code of Conduct.

Rahul L. Kanodia
Vice Chairman & Chief Executive Officer

Place : Mumbai
Date : May 23, 2013

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, 2013, as stipulated in clause 49 of the Listing Agreement entered into with the Stock Exchanges in India.

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

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

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

For Kanu Doshi Associates
Chartered Accountants
Firm Regn No.: 104746W

Arati Parmar
Partner
Membership No.:102888

Place : London
Date : May 23, 2013

Management Discussion and Analysis

I. GLOBAL ECONOMIC SCENARIO

According to IMF, in its update for WEO, the growth of the world economy slowed down in 2012 to 3.2 per cent from 4 per cent in the previous year amidst worries over the deepening Eurozone crisis. Across the Atlantic, the US economy hovered around 2 per cent growth over 2012.

Amidst the challenging global economic situation, the total IT spending industry hardware worldwide was negatively impacted. According to Gartner Inc. (Gartner), the total IT spending worldwide showed a modest growth of 1.2 per cent to US$3.6 trillion in 2012 while enterprise IT spending remained almost stagnant, growing only 0.1 per cent to US$2.6 trillion over the same period. Despite challenges in the global market, the Indian IT-BPM industry sustained its growth trajectory, with a YoY growth rate of 10.2 per cent against the 5 per cent growth of the Indian economy. In IT, the service segment constitutes IT services, Software Products and BPO/ITeS. The global revenue in these businesses are extended $670 billion, $400 billion and $330 billion by 2015.

The Information Technology (IT) and Information Technology enabled Services (ITeS) industries are key driving forces fuelling India's economic growth. The IT and ITeS sectors are giving India the image of a young and resilient global knowledge power.

The Indian IT and ITeS industry has continued to perform its role as the most consistent growth driver for the economy. Over the last five years, the IT and ITeS industry has grown at a remarkable pace. A majority sof the Fortune 500 and Global 2000 corporations are sourcing IT and ITeS from India and it is the premier destination for the global sourcing of IT and ITeS accounting for 55 per cent of the global market in offshore IT services and garnering 35 per cent of the ITeS/BPO market.

The global IT and ITeS industry has matured over the years and has emerged to be a significant contributor to the global economic growth. The global IT sector, constituted by the software and services, ITeS and the hardware segments, has been on a gradual growth trajectory with a steady rise in revenues as witnessed in the past few years. Europe, despite the economic crisis demonstrated higher acceptance of global sourcing. Specially, with the markets such as Germany and France increasing outsourcing as a way to keep their costs under control and gain greater flexibility in light of the increasingly volatile markets in the euro zone and beyond. At the same time, the industry explored increasing opportunities in Asia, Africa and Latin America. Customer centricity was the key focus as the industry expanded its global delivery model. In reviewing the FY 2012-2013, NASSCOM said that despite challenges in the global market, Indian IT-BPO industry sustained its growth trajectory and reported export revenues of US$77 billion with a Y-o-Y growth rate of 10.2 per cent. Domestic market also witnessed Y-o-Y growth rate of 14.1 per cent taking the domestic revenues to ₹1,047 billion. FY 2013 is characterized as the year of rapid transition and transformation leading the industry into expanding into newer verticals and geographies, attracting new customer segments, and transforming from technology partners to strategic business partners.

The Indian IT-Business Process Outsourcing (BPO) sector (including the domestic and exports segments) continue to grow from strength to strength, witnessing high levels of activity, both onshore as well as offshore. The companies continue to move up the value-chain to offer higher end research and analytics services to their clients.

The IT exports and business off-shoring industry has a steady association with the US dollar. In FY 2013-2014, there has been a significant depreciation in the Indian currency, which fell to a life-time low of 61.21 against the dollar. The Indian rupee's downward spiral against the US dollar could spell good news for the domestic IT-ITeS sector, which has been facing strong headwinds due to a weak global economy. Rupee depreciation can impact IT and off-shore service providers in a positive way. It's time for some cheer in India's $18-billion Business Process Outsourcing (BPO) industry with the

depreciating Indian rupee providing a much-needed breather to the export-driven BPO firms. The US business contribution to the country's robust industry stands at more than 60 per cent. Typically, a 1 per cent fall in the rupee versus the dollar results in an increase of 30-50 basis points in profitability.

The functional currency for the IT-BPO industry is the rupee although they transact a major portion of their business in several foreign currencies. The sector generates the majority of its revenues in foreign currencies, such as the dollar or the UK Pound Sterling and incurs most of its expenses in Indian rupees. IT and ITeS companies are expected to show a relatively subdued performance in the FY 2013-2014 due to macro uncertainty and soft demand scenario despite a lift from depreciating rupee.

II. OVERVIEW OF THE INDUSTRY AND BUSINESS ENVIRONMENT

a) The Indian IT industry has played a vital role in putting India on the global map. It has evolved dramatically over the last decade in terms of its scale, key service offerings and value provided to its customers. Having grown at a CAGR of 25 per cent from 2000-13, the sector has become one of the dominating forces in the global IT-BPM market;

b) As per NASSCOM, the industry touched revenues of US$108 billion in FY 2013 with exports at US$77 billion, accounting for more than 70 per cent of the total revenues;

Source: NASSCOM

c) FY 2012-13 has been a year of transition and transformation as the industry has continued on its growth trajectory, transitioning from enterprise services to 'enterprising solutions'.

Datamatics' portfolio of integrated offerings comprises of Finance & Accounting Services, Publishing Services, Research & Analytics, Document Management Services, Information Management Services, IT Consulting, IT Services, Engineering and Embedded Services. In addition, the Company also offers a portfolio of solutions comprising of Billing & Payment Solutions, eRetail Solutions, web enablement, portal solutions, etc. The Company is also expanding its geographic footprint. In FY 2012-13, the Company operating in BPO and Software lines of businesses, delivered total consolidated revenure of ₹5,500.04 million. The majority of Datamatics' revenue coming from BPO- Finance & Account; Document Processing; Publishing; Research & Analytics, Software - IT Solutions; Engineering Service and Billing Solutions.

III. OUTLOOK

Increase in global technology spending and opportunities created through adoption of disruptive technologies are expected to propel growth in FY 2014. Gartner expects the global IT spending industry hardware to grow by 4.1 per cent to US$3.8 trillion in 2013, and by a further 4 per cent in 2014. Global sourcing is expected to grow faster at about 9 per cent - 11 per cent to US$135-140 billion (105-109 billion euros) in FY 2014. At the same time, worldwide spending on BPM services is expected to grow by 5.4 per cent in FY 2014.

In the last couple of years, the Indian IT/ITeS Industry has shown great resilience in the face of the global economic turmoil. This is set to continue in the future as the overall IT spending in India is expected to grow by 7.7 per cent in 2013-14 and the enterprise IT spending in India to grow to US$44.8 billion in 2014. According to Gartner, 3 of every 4 large Indian companies are planning to increase IT spending in 2013, with focus on cloud, virtualisation, data centre consolidation, and IT modernisation. As per the estimates by NASSCOM, Indian IT-BPO revenues (domestic and exports; excluding hardware) are expected to grow by 13per cent-15per cent in FY 2014 to US$106-110 billion (82.5-85.6 billion euros). Of this, exports are likely to be about US$84-87 billion, a growth of about 12 per cent - 14 per cent. It is expected that the Indian IT and ITeS Industry would record about US$ 220 billion in exports and US$ 60 billion domestically by 2022, totalling to about US$ 260 billion growing at a CAGR of 12.8 per cent.

Figure 13: Forecasted size of Indian IT and ITES Industry by 2012

Source: NASSCOM 2020 Prespective and IMaCS analysis

IV. RISKS AND CONCERNS

In today's world, risks are not few. The Company faces various risks and challenges and is subject to uncertainties and negative impacts from these risks. Risk management is not an end in itself, but a key instrument supporting the management in achieving corporate objectives. There is a close relation between a Company's mission, vision statements and its willingness to take risks. All these elements have a strong impact on corporate culture, on values and attitudes of employees. Datamatics has 'Risk Management Policy', to identify, evaluate, categorize and prioritize the risks, right from its early stage and across the life cycle, develop and implement the risk mitigation plan to proactively reduce the potential impact of risk occurrence by providing adequate resources and monitoring continuously. Datamatics has always focused on risk mitigation, thereby strengthening its sustainability.

Risk categories

The risks and mitigation strategies related to the Company's business for the year 2012-2013 are given below:

RISKS AND APPROACH TO MITIGATION

a) BUSINESS MODELRELATED RISK

Geographical concentration

The Company derived 61 per cent of its revenue during 2012-13 from the US. The changing economic conditions in the global market and the competitive market environment are constantly challenging organizations. The changing economic conditions in the global market and the competitive market environment are constantly challenging organizations. The Company has been evaluating ways to increase revenues from other regions.

Competition

Growing competition, if not addressed can affect both growth and profitability. Competition risk is a continuing risk the Company manages. The Competition is not only from the other Indian software companies but also from other emerging regions.

Datamatics continually reviews its business risk strategies, in line with the threats from competition. Recognizing these risks, Company has formulated its growth strategy.

b) FINANCIAL RISKS

Foreign currency fluctuation

The Company's revenue is in foreign currency, thereby exposing the Company to foreign currency fluctuation risk. Constant high volatility in exchange rates between Indian Rupees vs. USD has increased this risk considerably.

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

Credit Risk

The Company addresses this risk through the following measures:

I. Constant feedback from finance to sales & delivery teams on amounts due and vigorous follow-up with customers.

II. Formal system of credit evaluation

c) OPERATIONAL RISKS

Timely staffing

In-appropriate staff leads to customer dissatisfaction. Hence, building a generic pool of resources and training them in anticipation of new projects is a mandated risk mitigation plan.

Employee Retention

Good talent is always in short supply and retaining it is one of the major risks faced by all technology companies. The Company follows exemplary HR policies to ensure maximum retention of good and useful staff.

Datamatics addresses the rising attrition through motivational processes, such as 'Datamatics SPOT Award', 'Datamatics Employee of the Month' and by providing employees exposure to multiple technologies,

domains and geographies. Datamatics has also increased its investment in 'Project Management Professional (PMP) certifications and Leadership & Development Programs.

d) LEGAL RISKS

Information Security

In the world of Information Technology, information security is a risk that all organizations face.

Datamatics is an ISO 27001 certified organization, i.e. the organization is certified for complying with Information Security related standards. Datamatics is committed towards maintaining an effective information security management system. This enables dissemination of information throughout the organization; shared with its associates and its customers, as required for the business, while ensuring, as appropriate, its confidentiality, integrity and availability.

Datamatics has strict Information Security Policy and control mechanisms in place to tackle these risks. The Company has physical and logical security in place to respect the rules, standard procedures & policies that pertain to ISO 27001 standard.

Legal, Regulatory & Contractual Compliance

Datamatics uses the services of professional consultants to ensure compliance with domestic and overseas law and regulations. The Company has established a strong process for legal review of all contracts and documentations.

V. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has mechanisms in place to establish and maintain adequate systems of internal control that commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regards to recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or losses, executing transactions with proper authorization and ensuring compliance of corporate policies. The Company has a well defined delegation of power with authority limits for approving revenue as well as capital expenditure. Processes for formulating and reviewing annual and long-term business plans have been laid down.

The Company has appointed MZSK & Associates, Chartered Accountants to carry out internal audit of the Company's activities. The audit is based on an Internal Audit Plan, which is reviewed every year in consultation with the statutory auditors and the Audit Committee. The Internal Audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the Company's operations such as delivery, accounting and finance, procurement, employee engagement, travel, insurance, IT processes in the Company. Safeguarding of assets and their protection against unauthorized use are also a part of these exercises. The Audit Committee reviews Audit Reports submitted by the Internal Auditors. Suggestions for improvements are considered, which the Audit Committee follows up on the implementation of corrective actions. The Committee also meets the Company's statutory auditors to ascertain, *inter-alia*, their views on the adequacy of internal control systems in the Company and keeps the Board of Directors informed of its major observations from time to time.

VI. DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

I. Results of Operations:

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

(₹ in Million)

Particulars	FY 2012-2013	FY 2011-2012
Income from Services	5,500.04	4,418.91
Other Income	89.61	100.13
Total Revenue	**5,589.65**	**4,519.04**
Operating Expenses	5,022.03	4,003.79
EBITDA	**567.62**	**515.25**
Depreciation and amortization	120.28	115.33
Earnings before Exceptional Items, Interest & Tax	447.35	399.91
Taxes	98.15	92.73
Net Profit after Tax	314.56	282.54

a. **Income:**

Income from Operations

Income from operations increased to ₹5,500.04 million in the year under review from ₹4,418.91 million in the previous year registering a growth of 24.47% . primarily driven by increase in Cignex business by 74.66%.

Other Income

Other income comprises of dividend from current and non-current investments, interest from Banks & Others and Profit on sale of current and non-current investments. Other income reported decreased to ₹89.61 million in the year under review from ₹100.13 million in the previous year.

b. Expenditure

Operating expenses comprises of purchase of IT Products and Licenses, employee costs and other expenses. The total operating expenses increased to ₹5,022.02 million in the year under review from ₹4,003.80 million in the previous year.

Employee costs increased to ₹3,025.62 million in the year under review from ₹2,580.90 million in the previous year, primarily due to increase in head count by about 17.23%.

Other Operating expenses increased to ₹1,901.93 million in the year under review from ₹1,311.83 million due to increase in sub-contracting expenses, travelling expenses and other operational expenses.

c. Depreciation

Depreciation charge has increased to ₹120.28 million in the year under review from ₹115.33 million in the previous year.

d. Income Tax Expenses

The Company's consolidated tax expense (including deferred taxes) increased to ₹98.14 million in the year under review from ₹92.74 million in the previous year primarily due to increased in profits during the year.

II. Financial Condition

The below mentioned financial condition give an overview of consolidated financial condition of the company.

a. Share Capital

The Company has authorized capital of ₹800 million as on March 31, 2013. The issued, subscribed and paid up capital was ₹314.75 million comprises of ₹294.75 million of equity shares of ₹5 each and ₹20.00 million preference shares of ₹10 each in the year under review. There is no increase in the paid-up capital of the Company.

b. Reserves & Surplus

The reserves and surplus of the Company increased to ₹2,683.84 million in the year under review from ₹2,419.39 million in the previous year. ₹42.00 million (previous year ₹50.00 million) was transferred from the Statement of Profit and Loss to General Reserves.

c. Provisions

Long term provisions increased to ₹64.82 million as on March 31, 2013 from ₹61.44 million as on March 31, 2012 due to increase in long term component of leave encashment.

Short term provisions increased to ₹119.50 million as on March 31, 2013 from ₹62.25 million as on March 31, 2012.

d. Short-Term Borrowings

Short term borrowings decreased to ₹390.04 million as on March 31, 2013 from ₹470.97 million as on March 31, 2012 due to repayment of outstanding loans to the banks.

e. Other Current Liabilities

Other current liabilities which comprises of unclaimed dividend, advance from customers, interest accrued but not due, statutory dues and other payables, decreased to ₹128.51 million as on March 31, 2013 from ₹211.45 million as on March 31, 2012.

f. Fixed Assets

The Gross block of fixed assets as on March 31, 2013 was ₹2,571.90 million (₹2,319.86 million as on March 31, 2012) and accumulated depreciation and amortization amounted to ₹914.03 million (₹798.85 million as on March 31, 2012). Additions to fixed assets made during the year were ₹252.03 million comprising of leasehold premises, machinery & equipment, computer equipments, furniture & fixtures, vehicles, freehold and leasehold land and intangible assets.

g. Loans and advances

Long term loans and advances increased to ₹127.77 million as on March 31, 2013 from ₹125.34 million as on March 31, 2012 due to security deposits, advance to employees and fair value of outstanding forward contracts.

Short term loans and advances decreased to ₹339.61 million as on March 31, 2013 from ₹345.47 million as on March 31, 2012.

h. Current Investments

Investment represents surplus funds of the Company parked with mutual fund schemes that can be recalled at very short notice. Investment in mutual funds increased to ₹522.78 million during the year under review from ₹193.01 million in the previous year due to investment of surplus funds earned during the year.

i. Trade Receivables

Debtors increased to ₹1074.39 million as on March 31, 2013 from ₹890.74 million as on March 31, 2012. The Company has provided for ₹69.49 million as provision for doubtful debts during the year under review.

j. Cash and Bank Balances

The cash and bank balances decreased to ₹238.90 million as on March 31, 2013 from ₹263.97 million as on March 31, 2012.

VII. HUMAN RESOURCES MANAGEMENT

In the business of IT and ITeS Industry, where competitive advantage is knowledge-derived, it is imperative to invest in competencies for growth and industry leadership.

Currently, Datamatics employs 4,344 employees in India and 293 overseas. The Company has strengthened its human resources through the following initiatives:

a) Recruitment:

Datamatics relies on rigorous selection process of candidates, which involves written tests, group discussions, background checks and interviews to identify the best candidate. This selection process is continually assessed and refined based on the performance tracking of past recruits. The Company uses multiple channels for recruitment, which includes head hunting through placement agencies as well as web-based recruitment platforms.

b) Learning and Development:

Datamatics believes in providing continuous trainings to its employees. This is an integral part of our strategy. Our training programs are designed to drive the training needs of the Company based on the business objective, to build a capability by filling the knowledge gaps and also encouraging a learning oriented culture.

Employees were provided a range of trainings, including technical, soft-skills, language, managerial and process trainings, with an aim to enable them to remain competitive by enhancing and upgrading their skill-sets.

Datamatics also imparted mid-level leadership program, designed to enhance the managerial skills of the employees. This prepares them to shoulder higher responsibilities in future, and also provides the employees with an opportunity to learn management concepts and techniques that are relevant for formulating and implementing strategies in functional and general management areas.

c) Performance management:

The Company created annual Performance Appraisal system. The Company monitored quarterly employee performance as a basis for performance payment.

To promote a healthy work-life balance, the Josh team of the Company also organized several fun and joy events; while volunteering for social causes helped the Company to maintain a positive climate and improve performance levels.

VIII. CAUTIONARY STATEMENT

This discussion contains forward looking statements that involve risks and uncertainties. When used in this discussion, the words - 'believe', 'estimate', 'will', 'expect' and other similar expressions relating to the Company or its business are to be identified as forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether because of new information, future events, or otherwise. Actual results, performances or achievements could differ materially from those expressed or implied in such forward looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements included in this report and the notes thereto.

Independent Auditor's Report on Consolidated Financial Statements

To,

The Board of Directors of DATAMATICS GLOBAL SERVICES LIMITED (formerly known as DATAMATICS TECHNOLOGIES LIMITED)

Report on the Consolidated Financial Statements

We have audited accompanying consolidated financial statements of DATAMATICS GLOBAL SERVICES LIMITED (formerly known as DATAMATICS TECHNOLOGIES LIMITED) ("the Company"), and its Subsidiaries (the Company and its Subsidiaries constitute "the group") which comprise the Consolidated Balance Sheet as at March 31, 2013, and the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the group in accordance with accounting principals generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on our audit and on consideration of reports of other auditors on separate financial statements of the subsidiaries as explained in paragraph 2 below and unaudited financial statements furnished by the management for remaining subsidiaries as explained in para 3 below in Other Matters paragraph , the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

a) in the case of the Consolidated Balance Sheet, of the state of affairs of the group as at March 31, 2013;

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

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

Other Matter

1. The financial statements of three subsidiaries (including two step down subsidiaries) which reflect total assets (net) of ₹ 681,083,287 as at March 31, 2013, total revenue of ₹ 1,003,555,898 and net cash outflows of ₹ 34,429,131 for the year then ended have been audited by us.

2. We did not audit the financial statements of nine subsidiaries (including one step down subsidiaries), whose financial statements reflect total assets (net) of ₹ 1,764,209,048 as at March 31, 2013, total revenue of ₹ 3,385,380,845 and net cash outflows amounting to ₹ 37,737,700 for the year then ended. These financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the report of the other auditors.

3. We have relied on the unaudited financial statements furnished by the management with respect to five step down subsidiaries whose financial statements reflects total assets (net) ₹ 575,171,030 as at March 31, 2013, total revenue of ₹ 72,556,703 and net cash inflows of ₹ 60,916,179 for the year then ended. These unaudited financial statements as approved by the respective Boards of Directors of these companies have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of the Consolidated Financial statement is based solely on such approved unaudited financial statements.

Our opinion is not qualified in respect of Other Matters.

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

Arati Parmar
Partner
Membership No: 102888

Place : London
Date : May 23, 2013

Consolidated Balance Sheet

Particulars	Note No.	As at March 31, 2013 ₹	As at March 31, 2012 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	**314,746,685**	314,746,685
Reserves and Surplus	4	**2,683,838,283**	2,419,390,112
		2,998,584,968	2,734,136,797
Minority Interest		**151,781,190**	53,957,460
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	5	**44,314,555**	33,415,068
Other Long-Term Liabilities	6	**1,731,669**	16,904,233
Long-Term Provisions	7	**64,820,594**	61,436,190
		110,866,818	111,755,491
CURRENT LIABILITIES			
Short-Term Borrowings	8	**390,038,525**	470,974,228
Trade Payables	36 & 37	**475,608,399**	280,516,116
Other Current Liabilities	9	**128,512,947**	211,454,540
Short-Term Provisions	10	**119,501,310**	62,246,929
		1,113,661,181	1,025,191,813
TOTAL		**4,374,894,157**	3,925,041,561
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	11		
-Tangible		**1,134,067,126**	1,028,791,730
-Intangible		**523,801,152**	492,220,402
Capital Work in Progress		**171,301,014**	160,800,840
Non-Current Investments	12	**107,030,877**	255,119,300
Amount recoverable from ESOP trust		**64,952,691**	69,347,270
Long-Term Loans and Advances	13	**127,771,081**	125,342,210
Other Non-Current Assets	14	**2,800,875**	6,546,000
		2,131,724,816	2,138,167,752
CURRENT ASSETS			
Current Investments	15	**522,779,539**	193,006,963
Trade Receivables	16	**1,074,391,110**	890,742,930
Cash and Bank Balances	17	**238,897,524**	263,971,293
Short-Term Loans and Advances	18	**339,609,207**	345,465,356
Other Current Assets	19	**67,491,961**	93,687,267
		2,243,169,341	1,786,873,809
TOTAL		**4,374,894,157**	3,925,041,561
Significant accounting policies and notes forming part of the financial statements	1-41		

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

Arati Parmar
Partner
Membership No. 102888

Place : London
Dated : May 23, 2013

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : Mumbai
Dated : May 23, 2013

Consolidated Statement of Profit and Loss

Particulars	Note No.	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
REVENUE FROM OPERATIONS	20	**5,500,039,098**	4,418,915,663
Other Income	21	**89,608,530**	100,127,002
Total Revenue		**5,589,647,628**	4,519,042,665
EXPENSES			
Purchase of IT Products and Licenses		**94,475,903**	111,069,051
Employee Benefit Expenses	22	**3,025,616,024**	2,580,896,240
Finance Costs	23	**34,639,870**	24,641,996
Depreciation and Amortization Expenses		**120,282,851**	115,330,920
Other Expenses	24	**1,901,930,807**	1,311,830,864
Total Expenses		**5,176,945,455**	4,143,769,071
Profit / (Loss) Before Tax		**412,702,173**	375,273,594
Tax Expenses			
- Current Tax and Wealth Tax		**103,248,553**	107,933,003
- MAT Credit Entitlement		**(5,291,266)**	(16,258,329)
- Deferred Tax		**6,713,862**	(2,341,965)
- Tax Adjustment of earlier years		**(6,525,821)**	3,398,214
Profit / (Loss) After Tax		**314,556,845**	282,542,671
Share of Minority Interest in Profit for the year		**46,384,945**	15,369,453
Net Profit / (Loss) After Minority Interest		**268,171,900**	267,173,218
Earnings per share (Face Value ₹ 5 each (P.Y. ₹ 5 each)) in ₹	34		
- Basic		**4.55**	4.53
- Diluted		**4.40**	4.38
Significant accounting policies and notes forming part of the financial statements	1-41		

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

Arati Parmar
Partner
Membership No. 102888

Place : London
Dated : May 23, 2013

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : Mumbai
Dated : May 23, 2013

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

1 Company Overview:

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

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

2 Significant Accounting Policies:

i Basis of preparation of financial statements:

The accompanying financial statements have been prepared on the basis of going concern concept and under the historical cost convention except for certain Fixed Assets which are revalued and comply with the Accounting Standards (AS) as specified in the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards (‘NACAS’) and on the accrual basis of accounting. The preparation of the Consolidated financial statements in accordance with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of Consolidated financial statements and the reported amounts of revenue and expenses during the reporting period.

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

ii Basis of Consolidation:

These Consolidated financial statements include the financial statements of Datamatics Global Services Limited and its subsidiaries and Joint Ventures. The Subsidiaries and Joint Ventures considered in the consolidated financial statements as at March 31, 2013 and as at March 31, 2012 are summarized below:

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

	2012 - 13		2011 - 12	
	Country of incorporation	% of shareholding	Country of incorporation	% of shareholding
A) Name of the Subsidiary				
Datamatics Global Services Inc. (Formerly known as Datamatics Technologies Inc.) (DGSI)	USA	100	USA	100
Datamatics Global Services GmbH (Formerly known as Datamatics Technologies GmbH) (DGSGmbH)	Germany	100	Germany	100
Datamatics Technologies U.K. Ltd. (DTUK)	UK	100	UK	100
Datamatics Software Services Ltd. (DSSL)	India	100	India	100
Datamatics Infotech Ltd. (DIL)	UK	100	UK	100
Datamatics Global Services Pty. Ltd. (Formerly known as Datamatics Australia Pty. Ltd.) (DGSPL)	Australia	100	Australia	100
Datamatics Global Technologies Ltd. (DGTL)	Mauritius	100	Mauritius	100
Datamatics Global Technologies AG (DGTAG)	Switzerland	100	Switzerland	100
Datamatics Global Technologies GmbH (DGTG)	Germany	100	Germany	100
Datamatics Global Holding Corporation	BVI	100	BVI	100
Datamatics Vista Info Systems Pvt. Ltd.	India	100	India	88
Cignex Global Holding Corporation	BVI	75	BVI	72.33
Cignex Datamatics, Inc.	USA	75	USA	72.33
Cignex Technologies Ltd.	UK	75	UK	72.33
Cignex Datamatics Technologies Pvt. Ltd.	India	75	India	72.33
Cignex Datamatics Pte. Ltd.	Singapore	75	Singapore	72.33
Cybercom Datamatics Information Solutions Ltd. (CDISL) w.e.f. 27th August, 2012	India	50.50	–	–
B) Name of the Joint Venture				
Cybercom Datamatics Information Solutions Ltd. (CDISL) upto 26th August, 2012	–	–	India	50

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by AS - 21 namely "Consolidated Financial Statements " and AS - 27 namely "Financial reporting of interests in Joint Ventures" respectively as specified in the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') for the purpose of preparation and presentation of consolidated financial statements.

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

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

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

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

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

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

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

Depreciation is provided on Straight Line Method except for leasehold and freehold land by the Parent Company and its Indian Subsidiary as stated in the significant accounting policies forming integral part of the financial statement. Whereas the foreign subsidiaries have provided depreciation on methods and at the rates required / permissible by the local laws, so as to write off the assets over their estimated useful life. The aggregate Gross Block of ₹ 335,895,502 (P.Y. ₹ 263,342,861) of foreign subsidiaries have charged depreciation at the rates other than those prescribed under Schedule XIV of the Companies Act, 1956. Intangible assets are amortised over a period for which the company expects the benefits to accrue except for Joint Ventures where it is amortised over 5 years. Leasehold Premises is being depreciated over 15 years.

iv Goodwill / Capital Reserve:

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

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

v Operating Lease:

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

vi Revenue Recognition:

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

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

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

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

Revenue from software development on a time-and-material basis is recognised based on software developed and billed on clients as per the terms of specific contracts and revenue in excess of billing on related services is recognised and classified as unbilled revenue.

Discount is recognised on Cash basis in accordance with the contractual term of the agreement with the customers.

vii Employee Benefits:

In case of Parent Company and its Indian Subsidiaries **(i) Defined Contribution Plan** - Contribution to defined contribution plans are recognised as expense in the Profit and Loss Statement, as they are incurred. **(ii) Defined Benefit Plan** - Companies liabilities towards gratuity and leave encashment are determined using the projected unit credit method as at Balance Sheet date. Actuarial gains / losses are recognised immediately in the Profit and Loss Statement. 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 Company matches employees' contributions at the discretion of the Company.

viii Foreign Exchange Transactions:

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

Monetary items denominated in foreign currencies at the balance sheet date are translated at the balance sheet date rates.

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

ix Foreign Currency Translation:

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

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

x Derivative Instruments and Hedge Accounting:

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

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

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

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

xi Investments:

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

xii Taxation:

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

xiii Deferred Tax:

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

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

xiv Borrowing Cost:

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

xv Cash Flow Statement:

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

Significant Accounting Policies and Notes forming part of the Consolidated Financial Statements

xvi Earnings Per Share:

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

xvii Employee Stock Option Scheme:

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

xviii Impairment of Assets:

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

xix 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.

xx 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.

xxi Segment Reporting:

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

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

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

Notes forming part of the Consolidated Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
3 SHARE CAPITAL		
a) AUTHORISED		
100,000,000 (P.Y. 100,000,000) Equity shares of ₹ 5 each	**500,000,000**	500,000,000
30,000,000 (P.Y. 30,000,000) Redeemable Preference Shares of ₹ 10 each	**300,000,000**	300,000,000
TOTAL	**800,000,000**	800,000,000
b) ISSUED		
58,949,337 (P.Y. 58,949,337) Equity Shares of ₹ 5 each fully paid up	**294,746,685**	294,746,685
2,000,000 (P. Y. 2,000,000) 8% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each fully paid up	**20,000,000**	20,000,000
TOTAL	**314,746,685**	314,746,685
c) SUBSCRIBED & PAID UP		
58,949,337 (P.Y. 58,949,337) Equity Shares of ₹ 5 each fully paid up	**294,746,685**	294,746,685
2,000,000 (P. Y. 2,000,000) 8% Optionally Convertible Non Cumulative Redeemable Preference Shares of ₹ 10 each, fully paid up	**20,000,000**	20,000,000
TOTAL	**314,746,685**	314,746,685

d) Reconciliation of Number of Shares

	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	**Amount**	Number of Shares	Amount
Equity Shares:				
Shares outstanding at the beginning of the year	**58,949,337**	**294,746,685**	58,949,337	294,746,685
Shares Issued during the year	**–**	**–**	–	–
Shares bought back during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**58,949,337**	**294,746,685**	58,949,337	294,746,685
Preference Shares:				
Shares outstanding at the beginning of the year	**2,000,000**	**20,000,000**	2,000,000	20,000,000
Shares Issued during the year	**–**	**–**	–	–
Shares bought back during the year	**–**	**–**	–	–
Shares outstanding at the end of the year	**2,000,000**	**20,000,000**	2,000,000	20,000,000

e) Rights, preferences and restrictions attached to shares:

Equity Shares: The Company 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Notes forming part of the Consolidated Financial Statements

Preference Shares: The Company has Optionally Convertible Non - Cumulative Redeemable Preference Shares having a par value of ₹ 10 per share and dividend rate of 8%. In the event of liquidation, the preference shareholders are eligible to receive the remaining assets of the Company before distribution of all amounts to equity shareholders, in proportion to their shareholding.

f) Shares held by holding Company

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
Equity Shares		
31,813,742 (P.Y. 31,813,742) Equity Shares of ₹ 5 held by Delta Infosolutions Pvt. Ltd., the Holding Company	**159,068,710**	159,068,710
Preference Shares		
2,000,000 (P.Y. 2,000,000) 8% Optionally Convertible Non - Cumulative Redeemable Preference Shares of ₹ 10 each, held by Delta Infosolutions Pvt. Ltd., the Holding Company	**20,000,000**	20,000,000

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

	As at March 31, 2013		**As at March 31, 2012**	
	Number of Shares	**% of aggregate number of shares**	Number of Shares	% of aggregate number of shares
Equity Shares				
Delta Infosolutions Pvt. Ltd., the Holding Company	**31,813,742**	**53.97%**	31,813,742	53.97%
Lalit Surajmal Kanodia	**3,830,995**	**6.50%**	3,830,995	6.50%
Asha Lalit Kanodia	**3,905,258**	**6.62%**	3,905,258	6.62%
Preference Shares				
Delta Infosolutions Pvt. Ltd., the Holding Company	**2,000,000**	**13.40%**	2,000,000	13.40%

h) For the period of five years immediately preceding the Balance Sheet date:

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Equity Shares of ₹ 5 each allotted as fully paid up pursuant to contract(s) without consideration being received in cash	**18,150,000**	18,150,000	18,150,000	18,150,000	18,150,000
Equity Shares of ₹ 5 each allotted as fully paid up bonus shares by capitalisation of General Reserve and Share Premium.	**28,480,000**	28,480,000	28,480,000	28,480,000	28,480,000

Notes forming part of the Consolidated Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
4	**RESERVES AND SURPLUS**		
a)	**CAPITAL RESERVE**		
	Balance as per last Balance Sheet	**3,524,880**	3,524,880
		3,524,880	3,524,880
b)	**CAPITAL REDEMPTION RESERVE**		
	Balance as per last Balance Sheet	**250,441,250**	244,281,250
	Group share in Joint Venture	–	6,160,000
		250,441,250	**250,441,250**
c)	**SECURITIES PREMIUM**		
	Balance as per last Balance Sheet	**1,080,078,716**	1,080,078,716
		1,080,078,716	1,080,078,716
d)	**EMPLOYEE STOCK OPTION OUTSTANDING**		
	Employee Stock Option Outstanding	**6,282,800**	9,401,600
	Less: Deferred Employee Compensation	**(1,960,884)**	(6,771,185)
	(Refer Note no. 31)	**4,321,916**	2,630,415
e)	**FOREIGN EXCHANGE FLUCTUATION RESERVE**		
	Balance as per last Balance Sheet	**(894,580)**	(10,104,164)
	Add / (Less): - Exchange Fluctuation for Current Year	**12,662,489**	9,209,585
		11,767,909	(894,579)
f)	**HEDGING RESERVE ACCOUNT**		
	Balance as per last Balance Sheet	**(20,821,979)**	–
	Add: Gain / (Loss) on cash flow hedging derivatives	**25,609,823**	(20,821,979)
	(Refer Note no. 27)	**4,787,844**	(20,821,979)
g)	**GENERAL RESERVE**		
	Balance as per last Balance Sheet	**659,477,508**	582,893,822
	Add / (Less): Transferred From Profit & loss during the year	**42,000,000**	50,000,000
	Group share in Joint Venture	–	26,583,686
		701,477,508	659,477,508
h)	**SURPLUS IN PROFIT AND LOSS STATEMENT**		
	Balance brought forward from last year	**444,953,897**	276,130,664
	Profit for the year	**352,158,061**	270,207,532
	Less: Appropriations		
	- Dividend on Equity Shares	**75,749,337**	44,212,003
	- Interim Dividend on Equity Shares	**33,600,000**	–
	- Tax on Dividend	**18,324,361**	7,172,292
	- Transfer to General Reserve	**42,000,000**	50,000,000
	Closing Balance	**627,438,260**	356,017,342
	Group Share in Joint Venture:-		
	- Surplus in Profit and Loss Statement	–	88,936,559
	TOTAL	**2,683,838,283**	2,419,390,112

Notes forming part of the Consolidated Financial Statements

5 Deferred Tax Liabilities (Net):

The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

Amount in ₹

Particulars	March 31, 2013	March 31, 2012
a) Deferred Tax Liability		
Depreciation	**41,583,005**	35,941,136
Total	**41,583,005**	35,941,136
b) Deferred Tax Asset		
Disallowance under Income Tax Act, 1961	**2,731,550**	(2,526,068)
Total	**2,731,550**	(2,526,068)
Deferred Tax Liability	**44,314,555**	33,415,068

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
6 OTHER LONG-TERM LIABILITIES		
Other Payables:		
For Capital Goods (Refer Note no. 36)	**1,596,735**	812,504
Fair Value of Outstanding Forward Contracts (Refer Note no. 27)	**134,934**	16,091,729
TOTAL	**1,731,669**	16,904,233
7 LONG TERM PROVISIONS		
Provision for Employee Benefits (Refer Note no. 28):		
For Gratuity (Unfunded)	**42,367,791**	43,561,721
For Leave Encashment	**22,452,803**	16,225,860
Group Share in Joint Venture	–	1,648,609
TOTAL	**64,820,594**	**61,436,190**
8 SHORT TERM BORROWINGS		
Other Loans and Advances		
From Banks		
Secured Loans	**390,038,525**	408,797,195
(Working Capital loan from Standard Chartered Bank and Citibank N.A. is secured by way of First Charge on Hypothecation of Stock, Book Debts and Movable Fixed Assets of the Company both past and present. Working Capital loan from Citibank N.A. is secured by way of Hypothecation of Immovable Property of Nashik)		
Group Share in Joint Venture	–	15,769,700
Total of Secured Loans	**390,038,525**	424,566,895
Unsecured		
From Banks	–	12,622,244
From Others	–	33,785,089
Total of Unsecured Loans	–	46,407,333
GRAND TOTAL	**390,038,525**	470,974,228

Notes forming part of the Consolidated Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
9	**OTHER CURRENT LIABILITIES**		
	Interest Accrued but Not Due	**239,684**	330,925
	Advance received from Customers	**322,931**	30,585,106
	Unclaimed Dividend	**1,779,850**	1,944,595
	Statutory Liabilities	**41,513,945**	20,240,022
	Other Payables	**84,656,537**	153,028,574
	Fair Value of Outstanding Forward Contracts	–	4,730,250
	Group Share in Joint Venture	–	595,068
	TOTAL	**128,512,947**	211,454,540
10	**SHORT TERM PROVISIONS**		
	Provision for Employee Benefits (Refer Note no. 28):		
	For Gratuity (Unfunded)	**4,813,857**	4,171,910
	For Leave Encashment	**8,928,516**	5,959,583
	Others:		
	Proposed Dividend on Equity Shares	**92,885,337**	44,212,003
	Tax on Equity Dividend	**12,873,600**	7,172,292
	Group Share in Joint Venture	–	731,141
	TOTAL	**119,501,310**	62,246,929
11	**FIXED ASSETS**		
	a) Tangible Assets		
	Land*	**607,400,546**	567,850,546
	Buildings	**145,162,867**	145,045,927
	Leasehold Premises	**42,189,319**	–
	Leasehold Improvements	**28,719,046**	14,699,398
	Machinery & Equipments	**148,394,535**	127,598,681
	Computer Equipments	**451,709,201**	403,418,857
	Furniture & Fixtures	**250,041,117**	219,549,446
	Vehicles	**27,501,189**	26,133,561
	Group Share in Joint Venture	**–**	39,335,350
	Total of Tangible Assets (i)	**1,701,117,820**	1,543,631,766
	b) Intangible Assets:		
	Computer Software		
	Internal Developed Software	**19,450,680**	18,829,512
	Other Software	**360,725,259**	296,897,255
	Group Share in Joint Venture	**–**	2,344,654
	Goodwill on Consolidation	**490,601,530**	458,158,062
	Total of Intangible Assets (ii)	**870,777,469**	776,229,483
	Total Gross Block (i+ii)	**2,571,895,289**	2,319,861,249

Notes forming part of the Consolidated Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
Less: Accumulated Depreciation and Amortization		
a) Tangible Assets		
Buildings	**19,983,501**	17,617,924
Leasehold Premises	**1,332,297**	–
Leasehold Improvements	**15,199,902**	7,757,975
Machinery & Equipments	**69,695,851**	60,927,684
Computer Equipments	**331,572,689**	309,881,995
Furniture & Fixtures	**119,626,319**	102,083,764
Vehicles	**9,640,135**	8,345,861
Group Share in Joint Venture	**–**	8,224,833
Total of Tangible Assets (iii)	**567,050,694**	514,840,036
b) Intangible Assets:		
Computer Software		
Internal Developed Software	**19,450,680**	18,829,512
Other Softwares	**327,103,459**	263,126,603
Group Share in Joint Venture	**–**	1,657,299
Goodwill on Consolidation	**422,178**	395,667
Total of Intangible Assets (iv)	**346,976,317**	284,009,081
Total Depreciation (iii + iv)	**914,027,011**	798,849,117
Net Fixed Assets		
-Tangible (i-iii)	**1,134,067,126**	1,028,791,730
-Intangible (ii-iv)	**523,801,152**	492,220,402

The above details are compiled from the data / record available with the Parent Company.

* Note:

(1) The above amount includes Freehold land of ₹ 267,050,214 (P.Y. ₹ 227,500,214) and Leasehold land of ₹ 340,350,332 (P.Y. ₹ 340,350,332).

(2) Gross Block includes ₹ 317,231,030 (P.Y. ₹ 317,231,030) being the amount added on revaluation of Land in the F.Y. 2008-09, based on report issued by approved independent valuer.

Notes forming part of the Consolidated Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
12	**NON CURRENT INVESTMENTS**		
	UNQUOTED (Non-Trade) (At Cost)		
	-Investments in Bonds		
	Nil (P.Y. 0.188) Solaris Holding NCD of ₹ 106,832,622.28 each	–	20,478,978
	Nil (P.Y. 200) LILY 19% NCD of ₹ 100,000 each	–	20,241,422
	Nil (P.Y. 10) 10.05% AIR India Bonds of ₹ 500,000 each	–	10,629,934
	-Investments in Debentures		
	Nil (P.Y. 200) debentures of ₹ 100,000 each of Edelweiss Capital Ltd.	–	20,220,600
	Nil (P.Y. 100) debentures of ₹ 100,000 each of RBS Financial Services (India) Pvt. Ltd.	–	10,110,300
	100 (P.Y. 300) debentures of ₹ 100,000 each of ECL Finance Ltd.	**10,150,000**	30,370,600
	5,000 (P.Y. 5,000) IIISL 11.70% NCD of ₹ 1,000 each	**5,000,000**	5,000,000
	2 (P.Y. Nil) debentures of ₹ 4,000,000 each of Devadatta Build Tech Pvt. Ltd. 18%	**8,000,000**	–
	Nil (P.Y. 25) debentures of ₹ 100,000 each of Deutsche Investments India Pvt. Ltd.	–	2,541,362
	30 (P.Y. 30) debentures of ₹ 100,000 each of Macquarie Finance Pvt. Ltd.	**3,033,090**	3,033,090
	Nil (P.Y. 200) debentures of ₹ 100,000 each of ECL Finance Ltd. B3F101-10062011	–	20,165,450
	10 (P.Y. Nil) debentures of ₹ 100,000 each of ECL fixed coupon Structured product @11.02% series I2E201	**10,000,000**	–
	QUOTED (Non-Trade) (At Cost)		
	-Investment in units of Mutual Funds fully paid		
	Nil (P.Y. 5,000,000) Units of BNP Paribas Fixed Term Fund - Series 21 F (Face Value of ₹ 10 each)	–	50,000,000
	Nil (P.Y. 3,844,337) Units of ICICI Prudential Interval Fund - Annual Interval Plan I (Face Value of ₹ 10 each)	–	41,500,000
	2,000,000 (P.Y. Nil) Units of IDFC FTP Series 16 Regular Plan - Growth (Face Value of ₹ 10 each)	**20,000,000**	–
	2,000,000 (P.Y. Nil) Units of Reliance FHF XXIII Series 4 - Growth (Face Value of ₹ 10 each) *	**20,000,000**	–
	1,000,000 (P.Y. Nil) Units of Birla Sun Life Fixed Term Plan - Series GI (1185 Days) – Growth (Face Value of ₹ 10 each)	**10,000,000**	–
	* Out of the above 2,000,000 (P.Y. Nil) units are under lien with Deutsche Bank AG for loan taken by Datamatics Global Services Germany.		

Notes forming part of the Consolidated Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
	-Investment in equity shares		
a.	900 (P. Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Ltd.	**510,767**	510,767
	Less: Provision for dimunition in value	**494,297**	494,297
		16,470	16,470
b.	6,100 (P. Y. 6,100) fully paid Equity Shares of ₹ 2 each of Wipro Ltd.	**3,739,473**	3,739,473
	Less: Provision for dimunition in value	**1,152,035**	1,152,035
		2,587,438	2,587,438
c.	5,000 (P. Y. 5,000) fully paid equity shares of ₹ 1 each of Vikas WSP Ltd.	**552,950**	552,950
	Less: Provision for dimunition in value	**389,950**	389,950
		163,000	163,000
d.	800 (P. Y. 800) fully paid Equity Shares of ₹ 10 each of Reliance Industries Ltd.	**807,621**	807,621
e.	400 (P. Y. 400) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Ltd.	**205,649**	205,649
f.	56 (P. Y. 56) fully paid Equity Shares of Dana Holding Corporation	**321,928**	301,705
g.	8,998 (P. Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Ltd.	**2,204,510**	2,204,510
h.	38,767 (P. Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation.	**3,489,030**	3,489,030
i.	50,000 (P. Y. 50,000) fully paid Equity Shares of ₹ 10 each of GSS America.	**8,607,206**	8,607,206
j.	1,000 (P.Y. 1,000) fully paid Equity Shares of ₹ 10 each of Axis Bank Ltd.	**1,216,774**	1,216,774
k.	800 (P.Y. 800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Ltd.	**1,228,161**	1,228,161
	TOTAL NON-CURRENT INVESTMENTS	**107,030,877**	255,119,300
	Aggregate of Quoted Investments	**70,847,787**	112,327,563
	Market Value of Quoted Investments	**65,020,555**	98,893,810
	Aggregate of Unquoted Investments	**36,183,090**	142,791,737
	Aggregate of Provision for dimunition in value	**2,036,282**	2,036,282

13	**LONG TERM LOANS AND ADVANCES**		
	(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)		
	Advance Income Tax (Net)	**34,422,597**	1,618,528
	Advance Tax - FBT (Net)	**497,993**	1,019,832
	MAT Credit Entitlement	**34,010,096**	41,243,501
	Capital Advances	**4,163,284**	41,366,500
	Security Deposits	**39,105,250**	18,810,470
	Service Tax Receivable	**3,927,284**	12,512,760
	Prepaid Expenses	**1,344,073**	522,584
	Advance to Employees	**5,600,000**	3,800,000
	Other Receivables	**1,739,036**	50,000
	Fair Value of Outstanding Forward Contracts (Refer Note no. 27)	**2,961,468**	–
	Group Share in Joint Venture	–	4,398,035
	TOTAL	**127,771,081**	**125,342,210**

Notes forming part of the Consolidated Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
14	**OTHER NON-CURRENT ASSETS**		
	(Unsecured, considered good)		
	Non-Current Bank Deposits (original maturity of more than 12 months)	**2,800,875**	6,546,000
	TOTAL	**2,800,875**	6,546,000
	All the above ₹ 2,800,875 (P.Y. ₹ 6,546,000) are marked as Lien for Guarantees issued by Banks on behalf of the Company.		
15	**CURRENT INVESTMENTS**		
	QUOTED (Non-Trade) (At Cost or Fair Value, whichever is less)		
	-Investment in Liquid Mutual Funds fully paid		
	750,378 (P.Y. 1,661,378) Units of DWS Short Maturity Fund - Growth (Face Value of ₹ 10 each) *	**9,033,199**	20,000,000
	2,772,746 (P.Y. 2,772,746) Units of Templeton India Low Duration - Growth (Face Value of ₹ 10 each) *	**30,000,000**	30,000,000
	4,448 (P.Y. 9,948) Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each) *	**8,942,342**	20,000,000
	1,135,771 (P.Y. 1,135,771) Units of Birla Sun Life Fixed Term Plan Series FC - Growth (Face Value of ₹ 10 each)*	**11,357,715**	11,357,715
	3,500,000 (P.Y. 3,500,000) Units of ICICI Prudential Fixed Maturity Plan-Series 63-384 Days Plan A Cumulative - Growth (Face Value of ₹ 10 each) *	**35,000,000**	35,000,000
	1,000,000 (P.Y. 1,000,000) Units of DWS Fixed Maturity Plan - Series 10 (DFMP - 10) - Growth (Face Value of ₹ 10 each)	**10,000,000**	10,000,000
	Nil (P.Y. 1,340,457) Units of Templeton India Ultra Short Bond Fund -Super - IP -DDR (Face Value of ₹ 10 each)	–	13,420,114
	Nil (P.Y. 798,826) Units of Peerless Ultra Short Term Fund - Super IP - DDR (Face Value of ₹ 10 each)	–	8,000,000
	Nil (P.Y. 2,590,631) Units of HDFC Cash Management Fund - Saving Plan - DDR (Face Value of ₹ 10 each)	–	27,554,982
	Nil (P.Y. 500) Units of Morgan Stanley Liquid Fund - Daily Dividend (Face Value of ₹ 1,000 each)	–	500,000
	462,374 (P.Y. Nil) Units of IDFC Dynamic Bond Fund Plan - Growth - Plan A (Face Value of ₹ 10 each) **	**10,000,000**	–
	1,491,198 (P.Y. Nil) Units of ICICI Prudential Ultra Short Term Reg Plan - DDR (Face Value of ₹ 10 each)	**15,009,058**	–
	626,331 (P.Y. Nil) Units of Birla Sun Life Floating Rate Fund - STP - DDR (Face Value of ₹ 100 each)	**62,645,595**	–
	70,548 (P.Y. Nil) Units of Kotak Floater ST - DDR (Face Value of ₹ 1,000 each)	**71,368,178**	–
	12,593 (P.Y. Nil) Units of UTI Floating Rate Fund STP - Reg Plan - Direct Plan - DDR (Face Value of ₹ 1,000 each)	**13,560,909**	–
	2 (P.Y. Nil) Units of Pinebridge India Short Term Fund Standard WDR (Face Value of ₹ 1,000 each)	**1,844**	–
	501,404 (P.Y. Nil) Units of IIFL Income Opportunities Fund – AIF - Growth (Face Value of ₹ 10 each)	**5,250,000**	–
	660,925 (P.Y. Nil) Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each) **	**10,000,000**	–
	197,334 (P.Y. Nil) Units of Birla Sun Life Income Plus - Growth (Face Value of ₹ 10 each) *	**10,000,000**	–

Notes forming part of the Consolidated Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
905,334 (P.Y. Nil) Units of HDFC Short Term Plan - Growth (Face Value of ₹ 10 each)	**20,000,000**	–
663,473 (P.Y. Nil) Units of Reliance Dynamic Bond Fund - Growth (Face Value of ₹ 10 each) *	**10,000,000**	–
2,000,000 (P. Y. Nil) Units of IDBI FMP-Series III 385D (March 2013) - C - Growth (Face value of ₹ 10 each)	**20,000,000**	–
19,256 (P.Y. Nil) Units of Reliance Life Insurance -Treasury Plan -Retail Option-DDR (Face value of ₹ 1,000 each)	**29,437,812**	–
3,166,631 (P.Y. Nil) Units of Sundaram Ultra Short Term Fund -DDR (Face value of ₹ 10 each)	**31,783,474**	–
59,021 (P.Y. Nil) Units of ICICI Prudential Money Market Fund -Regular Plan -DDR (Face value of ₹ 10 each)	**5,902,814**	–
9,941 (P.Y. Nil) Units of SBI Magnum Insta Cash Fund Liquid Floater - Direct Plan - DDR (Face value of ₹ 10 each)	**10,039,977**	–
1,000,000 (P.Y. Nil) Units of Reliance Fixed Horizon Fund - XXIII - Series 4 - Growth Plan (Face value of ₹ 10 each)	**10,000,000**	–
29,083 (P. Y. Nil) Units of Reliance Liquid Fund - TP - Growth (Face value of ₹ 1,000 each)	**82,822,976**	–
Group Share in Joint Venture	**–**	16,550,506
*Out of the above 9,024,150 (P.Y. 1,661,378) units are under lien with Deutsche Bank AG for loan taken by Datamatics Global Services Germany.		
**Out of the above 1,123,299 (P.Y. Nil) units are under lien with Citi Bank N.A. for loan taken by Datamatics Global Services Inc.		
UNQUOTED (Non-Trade) (At Cost or Fair Value, whichever is less)		
-Investments in Portfolio Management Services (PMS)		
Reliance Capital Asset Management Limited	**623,646**	623,646
TOTAL CURRENT INVESTMENTS	**522,779,539**	193,006,963
Aggregate of Quoted Investments	**522,155,893**	192,383,317
Market Value of Quoted Investments	**538,578,480**	180,632,147
Aggregate of Unquoted Investments	**623,646**	623,646

16	**TRADE RECEIVABLES**		
	Unsecured		
	Over six months from the date they were due for payment		
	-Considered Good	**32,363,692**	261,695,399
	-Considered Doubtful	**6,949,406**	8,440,282
	Others		
	Considered Good	**1,042,027,418**	613,792,558
		1,081,340,516	883,928,239
	Less: Provision for Doubtful Debts	**6,949,406**	8,440,282
		1,074,391,110	875,487,957
	Group Share in Joint Venture	**–**	15,254,973
	TOTAL	**1,074,391,110**	890,742,930
	(Refer Note no. 37)		

Notes forming part of the Consolidated Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
17	**CASH AND BANK BALANCES**		
	CASH AND CASH EQUIVALENTS		
	BANK BALANCES		
	-In Current Accounts	**179,496,493**	170,094,154
	-In Fixed Deposit Accounts	**37,303,530**	68,861,544
	-In Exchange Earner's Foreign Currency Account	**5,494,564**	7,299,173
	Cash on Hand	**1,134,804**	8,562,944
	Cheques on Hand	**518,790**	638,214
	Foreign Currency on Hand	**490,526**	856,988
	Group Share in Joint Venture	**–**	2,241,270
	TOTAL	**224,438,707**	**258,554,287**
	OTHER BANK BALANCES		
	-In Margin Accounts (original maturity of more than 3 months and less than 12 months)*	**12,673,106**	3,454,763
	-In Unclaimed Dividend Accounts	**1,785,711**	1,962,243
	TOTAL	**14,458,817**	5,417,006
	GRAND TOTAL	**238,897,524**	263,971,293

* All the above ₹ 12,673,106 (P.Y. ₹ 3,454,763) are marked as Lien for Guarantees issued by Banks on behalf of the Company.

18	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)		
	Security Deposits	**17,682,985**	15,303,790
	MAT Credit Entitlement	**4,139,696**	8,562,299
	Inter-corporate Deposits	**182,000,000**	117,039,727
	Service Tax Receivable	**38,008,886**	3,395,309
	Prepaid Expenses	**47,471,668**	14,141,209
	Advance to Vendors	**2,220,580**	649,068
	Advance to Employees	**15,993,629**	8,980,852
	Other Receivables	**24,591,737**	81,952,351
	Fair Value of Outstanding Forward Contracts (Refer Note no. 27)	**1,961,310**	–
	Other Advances		
	- Considered Doubtful	**6,042,708**	6,042,708
	- Others, Considered Good	**5,538,716**	20,457,434
		345,651,915	276,524,747
	Less: Provision for Bad & Doubtful Advances	**6,042,708**	6,042,708
		339,609,207	270,482,039
	Group share in Joint Venture	**–**	74,983,317
	TOTAL	**339,609,207**	345,465,356

Notes forming part of the Consolidated Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
19	**OTHER CURRENT ASSETS**		
	Interest accrued on Investments	**13,078,232**	8,065,046
	Interest accrued but not due on deposits with bank	**2,762,169**	2,660,619
	Unbilled Revenue	**50,947,840**	80,614,717
	Contractually Reimbursable Expenses	**703,720**	–
	Group Share in Joint Venture	**–**	2,346,885
	TOTAL	**67,491,961**	93,687,267

		For the year ended March 31, 2013	For the year ended March 31, 2012
		₹	₹
20	**REVENUE FROM OPERATIONS**		
	-Sale of Products	**137,839,421**	100,440,718
	-Sale of Services	**5,362,199,677**	4,222,608,875
		5,500,039,098	4,323,049,593
	-Group Share in Joint Venture	**–**	95,866,070
	TOTAL	**5,500,039,098**	4,418,915,663
21	**OTHER INCOME**		
	Interest from Banks & Others	**47,356,608**	50,291,934
	Dividend on Current Investments - Non Trade	**8,326,403**	5,421,892
	Dividend on Non-Current Investments - Non Trade	**205,049**	242,652
	Profit on Sale of Current Investments - Non Trade (Net)	**29,580,293**	20,940,634
	Profit on Sale of Non-Current Investments - Non Trade (Net)	**732,277**	13,005,275
	Miscellaneous Income	**1,603,178**	842,102
	Sundry Balances Written back (Net)	**1,804,722**	2,354,352
	Group Share in Joint Venture	**–**	7,028,161
	TOTAL	**89,608,530**	100,127,002
22	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries,Wages,Bonus & Allowances	**2,742,189,357**	2,290,402,294
	Contribution to Provident Fund and Other Funds	**133,364,846**	123,450,469
	Share Based Compensation (Refer Note no. 31)	**1,999,080**	2,630,415
	Staff Welfare Expenses	**98,130,278**	82,468,946
	Directors Remuneration (Refer Note no. 30 (ii))	**49,932,463**	35,588,663
	Group Share in Joint Venture	**–**	46,355,453
	TOTAL	**3,025,616,024**	2,580,896,240
23	**FINANCE COSTS**		
	Interest Expense		
	-To Financial Institutions and Banks	**31,065,890**	20,268,478
	-To Others	**3,573,980**	4,373,518
	TOTAL	**34,639,870**	24,641,996

Notes forming part of the Consolidated Financial Statements

		For the year ended March 31, 2013 ₹	For the year ended Mar 31, 2012 ₹
24	**OTHER EXPENSES**		
	Knowledge Associates / Vendor Charges (Refer Note no. 30 (ii))	**107,758,682**	193,508,176
	Consultancy Charges / Consumables	**10,661,099**	7,532,450
	Electricity	**64,740,505**	58,986,770
	Technical Fees	**816,804,835**	300,643,998
	Partnership Fees	**304,500**	–
	Travelling Expenses	**312,796,632**	266,507,280
	Link Charges	**14,198,664**	10,575,300
	Rent (Refer Note no. 35)	**101,279,191**	79,736,410
	Rates and Taxes	**14,499,621**	5,383,944
	Communication Expenses	**55,397,588**	34,133,304
	Legal and Professional Charges	**91,373,710**	89,033,430
	Remuneration to Auditors	**7,162,100**	5,325,569
	Repairs and Maintenance:		
	- Building	**8,332,164**	4,317,336
	- IT & Machinery	**28,782,389**	16,014,368
	Repair Others	**28,926,750**	27,499,043
	Insurance Premium	**14,449,526**	13,793,160
	Sales Commission and Marketing Expenses	**1,016,480**	1,758,242
	Board Sitting Fees	**390,000**	310,000
	Advertisement and Sales Promotion Expenses	**72,957,012**	44,988,059
	Lease Rent and Hire Charges	**10,181,130**	7,300,751
	Entertainment Expenses	**7,259,569**	7,440,314
	Miscellaneous Expenses	**15,954,278**	10,953,421
	Loss on Sale of Fixed Assets	**571,688**	808,428
	Loss on Theft of Asset	**34,658**	–
	Bad debts Written off	**12,458,155**	39,411,007
	Exchange Fluctuation (Net)	**34,336,227**	10,796,439
	Bank & Other Charges	**11,073,726**	6,549,151
	Recruitment Expenses (Refer Note no. 30 (ii))	**21,334,387**	19,615,752
	Subscription Charges	**11,638,134**	8,128,680
	Printing & Stationery	**16,661,947**	16,369,471
	Photocopying Charges	**355,968**	17,477
	Security Charges	**8,239,492**	6,268,144
	Group Share in Joint Venture	**–**	18,124,990
	TOTAL	**1,901,930,807**	1,311,830,864

Notes forming part of the Consolidated Financial Statements

25 Contingent Liability:

Provision is made in the accounts 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:

			31.03.2013 ₹	31.03.2012 ₹
(a)	**Claims against the Company not acknowledged as debt:**			
	(i)	Income Tax matters	**20,506,654**	8,674,396
	(ii)	Sales Tax matters	**5,074,525**	5,074,525
(b)	**Details of guarantees and sureties outstanding as at:**			
	(i)	Guarantees given by Banks to Embassy Centre Premises Co-operative Society Ltd.	**425,930**	425,930
	(ii)	Guarantees given by Banks to the Assistant Commissioner of Central Excise and Customs Department	**849,875**	1,134,250
	(iii)	Guarantees given by Banks to UNFCCC, BONN, Germany for Euro 84,398.70	**6,118,000**	6,118,000
	(iv)	Guarantees given by Banks to Directorate of Information Technology	**2,000,000**	500,000
	(v)	Guarantees given by Banks to Mahanagar Gas Ltd.	**348,725**	285,275
	(vi)	Corporate Guarantees provided to Banks against credit facilities extended to Subsidiaries and Joint Venture Company	**319,420,000**	146,000,000
	(vii)	Guarantees given by Banks to Alfa Laval (India) Ltd.	**–**	500,000
	(viii)	Guarantees given by Banks to Dorf Ketal Chemicals (India) Pvt. Ltd.	**–**	625,000
	(ix)	Guarantees given by Banks to Bank of India	**398,268**	398,268
	(x)	Guarantees given by Banks to Agility Logistics Pvt. Ltd.	**500,000**	–
	(xi)	Guarantees given by Banks to Chief Accounts Officer, Aurangabad Muncipal Corporation.	**1,052,000**	–
	(xii)	Guarantees given by Banks to Webel Mediatronics Ltd.	**615,302**	–

26 Capital and other commitments:

Estimated amount of contracts on capital account remaining to be executed and not provided (net of advances) for ₹ 6,626,297 (P.Y. ₹ 106,199,180).

Notes forming part of the Consolidated Financial Statements

27 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. These contracts are for a period between one month and two years.

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

Foreign Currency	**March 31, 2013**			March 31, 2012		
	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value (₹) gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value (₹) gain / (loss)
U.S. Dollar	120	7,860,000	3,002,284	51	5,317,500	(20,030,289)
Sterling Pound	6	270,000	1,489,253	12	435,000	(963,630)
Euro	6	180,000	151,034	12	315,000	171,940
Swiss Franc	6	111,522	145,273	–	–	–

Net profit / (loss) on derivative instruments of ₹ 4,787,844 (P.Y. ₹ (20,821,979)) recognised in Hedging reserve as of March 31, 2013, is expected to be reclassified to the statement of profit and loss by March 31, 2015. The foreign currency exposures that are not hedged by a derivative instrument or otherwise is ₹ 142,387,283 (P.Y. ₹ 252,186,237).

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

28 Employee Benefits

(Amount in ₹)

	2012-13	2011-12
Defined Contribution Plans:		
I. Charge to the Profit and Loss Statement based on contributions		
Employers Contribution to Provident Fund	**44,472,058**	39,896,571
Employers Contribution to Employees' State Insurance	**8,826,402**	7,386,495
Employers Contribution to Employees' Pension Scheme 1995	**3,261,298**	2,591,535
Employers Contribution to Labour Welfare Fund & Others	**1,397,684**	139,016
Included in Contribution to Provident Fund and Other Funds (Refer Note no. 22)	**57,957,442**	50,013,617
	Gratuity (Unfunded)	
	2012-13	**2011-12**
Defined Benefit Plans:		
I. Disclosures for defined benefit plans based on actuarial reports as on March 31, 2013		
A. Change in Defined Benefit Obligation		
Present Value of Defined Benefit Obligation as at the beginning of the year	**49,764,317**	47,898,844
Interest Cost	**4,229,967**	4,201,247
Current Service Cost	**8,862,488**	12,143,753
Benefits Paid	**(11,411,701)**	(9,386,110)
Actuarial (gains) / loss	**(2,873,464)**	(6,108,760)
Present Value of Defined Benefit Obligation as at the end of the year	**48,571,607**	48,748,974
Included in Long-Term & Short-Term Provisions (Refer Note no. 7 & 10)		

Notes forming part of the Consolidated Financial Statements

	2012-13	2011-12
B. Changes in Fair Value of Assets		
Fair Value of Plan Asset as at beginning of the year	**Nil**	Nil
Expected return on Plan Assets	**Nil**	Nil
Contributions by the Employer	**11,411,701**	9,386,110
Benefits Paid	**(11,411,701)**	(9,386,110)
Actuarial gain / (loss)	**Nil**	Nil
Fair Value of Plan Asset as at end of the year	**Nil**	Nil
C. Amount Recognised in the Balance Sheet		
Present value of defined benefit obligation as at end of the year	**48,571,607**	48,748,974
Fair Value of Plan Assets at the end of the year	**1,389,959**	Nil
Net Asset / (Liability) recognised in Balance Sheet (Refer Note no. 7 & 10)	**(47,181,648)**	(48,748,974)
D. Expenses Recognised in Profit and Loss Statement		
Current Service Cost	**8,862,488**	12,143,753
Interest Cost	**4,229,967**	4,201,247
Actuarial losses / (gains)	**(2,873,464)**	(6,108,760)
Total Expenses / (Income) recognised in Profit and Loss Statement	**10,218,991**	10,236,239
Included in Salaries,Wages, Bonus & Allowances (Refer Note no. 22)		
E. Principal Actuarial Assumptions used:		
1. Discount Rate (per annum)	**8.00%**	8.50%
2. Salary Escalation	**2.00%**	3.50%
3. Mortality table	**LIC (1994-96) Ultimate**	LIC (1994-96) Ultimate
F. Experience Adjustments:		
Experience Adjustments on Plan Liability (gain) / loss	**2,691,384**	4,466,595

Note:

a. Provision towards liability for Leave Encashment made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value liability is ₹ 31,381,319 (P.Y. ₹ 22,185,443) based upon following assumptions:

	2012-13	2011-12
Discount Rate	**8.00%**	8.50%
Salary Escalation	**2.00%**	3.50%

Notes forming part of the Consolidated Financial Statements

29 Segmental Information:

The Management information system of DGSL group identifies and operates in a single primary business segment. In the opinion of the management these activities are governed by the same set of risk and returns as per AS17 dealing with segmental reporting. Secondary segmental reporting is on the basis of geographical location of customers.

Performance of Business Segment is as follows:

(Amount in ₹)

	31.03.2013	31.03.2012
Revenue		
Sales	**5,500,039,098**	4,418,915,663
Segment result profit	**323,093,643**	275,146,592
Other Income	**89,608,530**	100,127,002
Direct Taxes	**98,145,328**	92,730,923
Profit from Ordinary Activities	**314,556,845**	282,542,671
Net Profit	**314,556,845**	282,542,671
Other Segment Information		
Capital Expenditure (Net)	**170,543,252**	399,373,934
Depreciation and Amortization	**120,282,851**	115,330,920
Non Cash Expenses other than Depreciation (Net)	**13,064,501**	40,219,435
Particulars of Segment Assets and Liabilities		
Segment Assets	**3,419,609,736**	3,151,753,348
Investments	**629,810,416**	448,126,263
Bank Deposits	**52,777,511**	78,862,307
Other Assets	**272,696,494**	246,299,643
Total Assets	**4,374,894,157**	3,925,041,561
Segment Liabilities	**1,224,455,847**	1,105,222,562
Other Liabilities	**151,853,342**	85,682,202
Total Liabilities	**1,376,309,189**	1,190,904,764

Geographic Segment

Revenue attributable to the location of the customers is as follows (Amount in ₹)

Geographic Location	**31.03.2013**	31.03.2012
USA	**3,346,260,662**	2,011,614,097
Europe	**1,094,805,082**	666,663,421
Others	**1,058,973,354**	1,740,638,145
Total	**5,500,039,098**	4,418,915,663

30 Related Party Disclosures:

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

Notes forming part of the Consolidated Financial Statements

(A) Associate Companies and Joint Ventures
Datamatics Financial Services Ltd.
Amon Technologies Pvt. Ltd.
Anemone Management Consultancy Pvt. Ltd.
Datascan Services

(B) Key Managerial Personnel
Dr. L. S. Kanodia
Mr. Rahul L. Kanodia
Mr. Vidur V. Bhogilal
Mr. Sameer Kanodia
Mr. Micheal Thuleweit
Mr. N. K. Varma
Mrs. Sheila Mathews
Mr. Manish Sheladia
Mr. Munwar Shariff
Mr. S. Raman

(C) Relatives of Key Managerial Personnel and Enterprise owned by Key Managerial Personnel
Mrs. Asha Kanodia
Mrs. Priyadarshini Kanodia
Datamatics Staffing Services Pvt. Ltd.
Mrs. Shital Sheladia
Datamatics Employee Welfare Trust

(D) Holding Company
Delta Infosolutions Pvt. Ltd.

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

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Sales - Technical Services	**4,387,953**	**20,091,047**	**–**	**–**	**–**	**–**	**–**	**–**
Datamatics Financial Services Ltd.	4,387,953	20,091,047	–	–	–	–	–	–
Technical Fees	**–**	**–**	**–**	**–**	**7,837,960**	**–**	**–**	**–**
Datamatics Staffing Services Pvt. Ltd.	–	–	–	–	7,837,960	–	–	–
Expenses Incurred for Related Parties	**–**	**–**	**–**	**–**	**–**	**302,400**	**–**	**–**
Mrs. Shital Sheladia	–	–	–	–	–	302,400	–	–
Managerial Remuneration	**–**	**–**	**42,043,948**	**43,774,661**	**–**	**–**	**–**	**–**
Dr. L. S. Kanodia	–	–	5,301,710	4,606,173	–	–	–	–
Mr. Rahul L. Kanodia	–	–	7,802,360	6,849,097	–	–	–	–
Mr. Vidur V. Bhogilal	–	–	5,704,457	5,224,361	–	–	–	–
Mr. Sameer Kanodia	–	–	4,165,381	3,621,598	–	–	–	–
Mr. Micheal Thuleweit	–	–	13,312,321	9,345,606	–	–	–	–
Mr. N. K. Varma	–	–	916,668	5,500,008	–	–	–	–
Mrs. Sheila Mathews	–	–	–	1,010,000	–	–	–	–
Mr. S. Raman	–	–	–	1,010,000	–	–	–	–
Mr. Manish Sheladia	–	–	4,841,051	3,459,264	–	–	–	–
Mr. Munwar Shariff	–	–	–	3,148,554	–	–	–	–
Commission	**–**	**–**	**7,088,514**	**5,291,828**	**–**	**–**	**–**	**–**
Dr. L. S. Kanodia	–	–	3,544,257	2,645,914	–	–	–	–
Mr. Rahul L. Kanodia	–	–	3,544,257	2,645,914	–	–	–	–
Proposed Dividend	**–**	**–**	**7,073,883**	**5,305,412**	**5,379,047**	**4,034,285**	**31,813,742**	**23,860,307**
Salaries	**–**	**–**	**–**	**–**	**2,182,800**	**1,951,392**	**–**	**–**
Mrs. Priyadarshini Kanodia	–	–	–	–	2,182,800	1,951,392	–	–
Recruitment Expenses	**–**	**–**	**–**	**–**	**502,769**	**–**	**–**	**–**
Datamatics Staffing Services Pvt. Ltd.	–	–	–	–	502,769	–	–	–
Training Expenses	–	–	–	–	**60,000**	–	–	–
Datamatics Staffing Services Pvt. Ltd.	–	–	–	–	60,000	–	–	–
Payables	**–**	**–**	**7,088,514**	**9,738,193**	**–**	**–**	**–**	**–**
Dr. L. S. Kanodia	–	–	3,544,257	2,645,914	–	–	–	–
Mr. Rahul L. Kanodia	–	–	3,544,257	2,645,914	–	–	–	–
Mr. N. K. Varma	–	–	–	4,446,365	–	–	–	–
Receivables	**1,170,712**	**2,279,739**	**–**	**202,038**	**64,952,691**	**69,347,270**	**–**	**–**
Datamatics Financial Services Ltd.	1,170,712	2,279,739	–	–	–	–	–	–
Mr. Manish Sheladia	–	–	–	202,038	–	–	–	–
Datamatics Employee Welfare Trust	–	–	–	–	64,952,691	69,347,270	–	–

Note:

1) Related parties are identified by the management and relied upon by the auditors.

Notes forming part of the Consolidated Financial Statements

31 Employee Stock Option Scheme:

The Datamatics Employee Welfare Trust (Trust) had purchased 1,753,261 shares of Company for granting stock options to the employees. The purchases are financed by loans from the Company. Amount recoverable from Trust as on March 31, 2013 is ₹ 64,952,691 (P.Y. ₹ 69,347,270).

(i) Key Employee Stock Option Plan, 2006

Under the Key Employee Stock Option Plan, 2006, 116,000 options were granted at exercise price of ₹ 5 per option and the first vesting period falls during the current F.Y. 2012-13. During the year 6,440 shares have been vested and exercised. Upon vesting and exercise of the stock options, equity shares have been granted to the employees from the shares held by the Trust. During the year 70,000 stock options have lapsed.

(ii) Key Employee Stock Option Plan, 2007

Under the Key Employee Stock Option Plan, 2007, 300,000 options were granted at exercise price of ₹ 5 per option and the first vesting period falls during current F.Y. 2012-13. During the year 20,960 shares have been vested and exercised. Upon vesting and exercise of the stock options, equity shares have been granted to the employees from the shares held by the Trust. During the year 68,000 stock options have lapsed.

During the year, an amount of ₹ 1,999,080 (P.Y. ₹ 2,630,415) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus & Allowances and the balance has been disclosed under Reserves and Surplus as reduction from Employee Stock Option Outstanding.

32 During the year, Company has invested:

(i) EUR 1,000,000 in 1,000,000 fully paid equity shares of Datamatics Global Services GmbH, incorporated in Germany.

(ii) ₹ 3,738,000 in 8,400 fully paid equity shares of Cybercom Datamatics Information Solutions Limited.

33 Portfolio Management services are provided by the Portfolio Manager – Reliance Capital Asset Management Ltd (RCAML) registered with SEBI vide registration No.INP000000423 and Trust Investment Advisors Pvt. Ltd. (TIAPL) registered with SEBI vide registration No. INP000001843. The portfolio Manager is engaged in investing funds in accordance with SEBI (Portfolio Managers) Regulations, 1993 of its client – Datamatics Global Services Ltd. in Securities and providing portfolio management services to its clients.

RCAML and TIAPL have been appointed as the Portfolio Manager for managing the investments of its funds on a discretionary basis to avail of investment advisory and portfolio management services for the purpose of investment to be made in securities. RCAML also holds the Power of Attorney to hold investments in its name for investments made on behalf of Company. Investments made by RCAML under the Portfolio Management Services are made in a pool account and therefore are not held in the name of the Company.

Notes forming part of the Consolidated Financial Statements

34 Earning Per Share

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

		As At 31.03.2013	As At 31.03.2012
(a)	Net Profit / (Loss) after taxation attributable to equity shareholders (in ₹)	**268,171,900**	267,173,218
(b)	Weighted average number of Outstanding equity shares considered for Basic EPS (Nos.)	**58,949,337**	58,949,337
	Dilutive Impact of Equity Share (to be issued) (Nos.)-Weighted Average on potential conversion of outstanding Preference Shares	**2,000,000**	2,000,000
(c)	Weighted average number of Outstanding equity shares considered for Diluted Earning Per Share (Nos.)	**60,949,337**	60,949,337
(d)	Earnings per share		
	(Nominal value per share ₹ 5 each)		
	Basic earning per share (in ₹) (a / b)	**4.55**	4.53
	Diluted earning per share (in ₹) (a / c)	**4.40**	4.38

35 Leases:

Datamatics Global Services Limited have entered into operating lease arrangements for several premises and vehicles. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 24. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutual agreeable terms.

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

(Amount in ₹)

	March 31, 2013	March 31, 2012
Amount due within one year from the balance sheet date	**47,849,455**	43,890,449
Amount due in the period between one year and five years	**44,817,515**	35,173,288
Amount due later than five years	**–**	–

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

Lease Rent	**101,279,191**	79,736,410

Note:

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

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

36 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.

Notes forming part of the Consolidated Financial Statements

37 The Company has received confirmations from few Trade receivables, Other receivables and for majority of loans and advances. Remaining Trade receivables, Other receivables, Trade payables and loans and advances are subject to confirmation and reconciliation if any.

38 In the opinion of the Company, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known Liabilities and for Depreciation is adequate and not in excess of the amount reasonably necessary.

39 As per Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 1956, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

40 Prior period Comparatives:

During the year ended March 31, 2013:

- the Company had through its wholly owned subsidiary acquired 120,000 equity shares of Datamatics Vista Info Systems Private Limited (DVISPL) making DVISPL a 100% Subsidiary of the Company with effect from August 1, 2012. The Consolidated financials results for the year ended March 31, 2013 are not comparable with that of the corresponding previous year ended March 31, 2012 as they include the 100% results of DVISPL with effect from August 1, 2012.

- the Company had acquired 8,400 equity shares of Cybercom Datamatics Information Solutions Limited (CDISL), a joint venture entity, making CDISL a Subsidiary of the Company with effect from August 27, 2012. The Consolidated financials results for the year ended March 31, 2013 are not comparable with that of the corresponding previous year ended March 31, 2012 as they include the 100% income and expenses of CDISL with effect from August 27, 2012. As per Accounting Standard (AS) 27, Financial reporting of interests in Joint Ventures, all the income and expenses in the consolidated results include Company's proportionate share in JV's from April 1, 2012 to August 26, 2012.

Previous year figures have been appropriately reclassified / recast to confirm to the current year's presentations.

41 Figures are rounded of to the nearest rupees.

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

Arati Parmar
Partner
Membership No. 102888

Place : London
Dated : May 23, 2013

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : Mumbai
Dated : May 23, 2013

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

		2013 ₹		2012 ₹	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before Tax		**412,702,173**		**375,273,594**
	Adjusted for:				
	Exchange fluctuation on Translation	**219,001**		(2,972,692)	
	Depreciation and Amortization	**120,282,851**		115,330,920	
	Finance Costs	**16,310,581**		16,134,961	
	(Profit) / Loss on sale of Fixed Assets	**571,688**		808,428	
	Loss on Theft of Asset	**34,658**		–	
	Sundry Balances Written (back) / off	**–**		(10,966,301)	
	Interest on Fixed Deposit & Others	**(47,356,608)**		(50,291,934)	
	Dividend Received	**(8,531,452)**		(5,664,544)	
	(Profit) / Loss on sale of Investments	**(30,312,570)**		(33,945,909)	
	Bad Debts Written off	**12,458,155**		39,411,007	
	Employee Stock Option Expenses	**1,999,080**		2,630,415	
	Exchange difference on translation of foreign currency cash and cash equivalents	**2,011,368**	**67,686,752**	(7,196,389)	63,277,962
	Operating Profit before Working Capital Changes		**480,388,925**		438,551,556
	Adjusted for:				
	(Increase) / Decrease in Sundry Debtors	**(153,981,303)**		(321,940,838)	
	(Increase) / Decrease in Loans and Advances	**67,272,144**		10,906,152	
	(Decrease) / Increase in Current Liabilities	**222,037,456**		278,974,243	
			135,328,297		(32,060,443)
	Cash Generated from Operations		**615,717,222**		406,491,113
	Tax Paid (Net of tax refund received)		**117,781,760**		90,115,614
	Net Cash From Operating Activities		**497,935,462**		316,375,499
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	**(171,192,304)**		(892,614,178)	
	Sale / (Purchase) of Investments	**(251,599,237)**		359,975,826	
	Interest on Fixed Deposit & Others	**47,356,608**		50,291,934	
	(Profit) / Loss on sale of Investments	**30,312,570**		33,945,909	
	Dividend Received	**8,531,452**		5,664,544	
	Net Cash from Investing Activities		**(336,590,911)**		(442,735,965)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	Proceeds / (Repayment) from Long Term Borrowings	**(80,935,703)**		370,215,952	
	Finance Costs	**(16,310,581)**		(16,134,961)	
	Final Equity Dividend Paid	**(44,212,003)**		(44,212,003)	
	Tax paid on Dividend	**(1,612,517)**		(9,962,562)	
	Interim Dividend Paid	**(33,600,000)**		–	
	Tax paid on Interim Dividend	**(16,777,959)**		–	
	Net Cash Flow from Financing Activities		**(193,448,763)**		299,906,426
	Net Increase in Cash and Cash Equivalent during the year		**(32,104,212)**		173,545,960
	Cash and Cash equivalents as at beginning of the year		**258,554,287**		77,811,939
	Exchange difference on translation of foreign currency cash and cash equivalents		**(2,011,368)**		7,196,389
	Cash and Cash equivalents as at the End of the year		**224,438,707**		258,554,287
	Earmarked balances with banks		**14,458,817**		5,417,006
	Cash and Bank balances at the end of the year		**238,897,524**		263,971,293

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

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

Arati Parmar
Partner
Membership No. 102888

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : London
Dated : May 23, 2013

Place : Mumbai
Dated : May 23, 2013

Independent Auditors' Report

To,

The Members of DATAMATICS GLOBAL SERVICES LIMITED (formerly known as DATAMATICS TECHNOLOGIES LIMITED)

Report on the Financial Statements

We have audited accompanying financial statements of DATAMATICS GLOBAL SERVICES LIMITED (formerly known as DATAMATICS TECHNOLOGIES LIMITED) ("the Company"), which comprise the Balance Sheet as at March 31, 2013 and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management' Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

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

a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

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

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

Emphasis of Matter

The Company has an investment of ₹ 997,376,964 in five of its wholly owned subsidiaries and has also extended loans and advances of ₹ 208,204,849 to these subsidiaries. As discussed in Note No. 42 of notes forming part of the financial statements, the net worth of these subsidiaries has declined. These investments are for long term and of strategic nature. 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. Accordingly our opinion has not been qualified.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003,("the order") as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

2. As required by section 227(3) of the Act, we report that:

   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

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

   d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.

   e) On the basis of the written representations received from the directors, as on March 31, 2013 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Arati Parmar
Partner
Membership No: 102888

Place : London
Date : May 23, 2013

ANNEXURE TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 of Report on other legal and regulatory requirement of the Auditor's report of even date to the members of DATAMATICS GLOBAL SERVICES LIMITED (formerly known as DATAMATICS TECHNOLOGIES LIMITED) for the year ended March 31, 2013)

i. (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) As explained to us, All Fixed assets have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.

(c) During the year, the Company has not disposed off a substantial part of the fixed assets.

ii. The Company's nature of operations does not require it to hold inventories. Consequently, clause 4(ii) of the order is not applicable

iii. As informed to us, the Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Hence clauses (iii) (a) to (iii) (g) of paragraph 4 of the order are not applicable to the Company.

iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit we have not observed any continuing failure to correct major weaknesses in internal control system.

v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act, have been entered in the register required to be maintained under that section.

(b) Where each such transaction is in excess of rupees five lakhs in respect of each party, the transactions have been made at prices which are prima facie reasonable having regard to the prevailing market prices at the relevant time

vi. During the year, the Company has not accepted any deposits from the public. As such, the compliance with directives issued by the Reserve Bank of India and the provisions of section 58A, 58AA of the Companies Act, 1956 and the rules framed there under are not applicable.

vii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.

viii. We have been informed that the Central Government has not prescribed maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956.

ix. (a) According to the information and explanations given to us and on the basis of records produced before us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed arrears of statutory dues were outstanding as at March 31, 2013 for a period of more than six months from the date they became payable.

(b) The disputed statutory dues aggregating ₹ 23,637,346 pending before the appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the dues	Forum where the dues is pending	Amount in ₹
1	Income Tax Act, 1961	Tax Deducted At Source	Income Tax Officer (TDS)	18,562,821
2	Sales Tax Act	Sales Tax	Ass. Commissioner of sales Tax	5,074,525
			Total	23,637,346

x. The Company has no accumulated losses and has not incurred cash losses in the current financial year and in the immediately preceding financial year.

xi. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.

xii. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities.

xiii. In our opinion, the provisions of any special statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.

xiv. According to the information and explanations given to us, the Company has maintained proper records of transactions and contracts in respect of dealing and trading in shares, securities, debentures and other investment and timely entries have generally been made therein. All shares, securities, debentures and other investment have been held by the Company in its own name except in respect of investments made under the Portfolio Management Scheme (PMS) as disclosed in Note No. 41 of accompanying notes to the financial statements aggregating to ₹ 623,646. Further, the investments made under PMS by Reliance Capital Asset Management Ltd. were in a pool account, therefore those investments are not held by the Company in its own name.

xv. In our opinion and according to the information and explanations given to us, the terms and conditions on which the Company has given guarantees for loans taken by its subsidiaries from banks are not prima facie, prejudicial to the interest of the Company.

xvi. The Company has not taken any term loan during the year.

xvii. On the basis of an overall examination of the Balance Sheet of the Company and according to the information and explanations given to us, in our opinion there are no funds raised on short-term basis, which have been used for long-term investment.

xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956 during the year.

xix. The Company has not issued debentures during the financial year and hence, the question of creating securities in respect thereof does not arise.

xx. During the year, the company has not raised any money through Public Issue. Hence the clause 4(xx) of the order is not applicable.

xxi. On the basis of our examination and according to the information and explanation given to us, no fraud, on or by the Company, has been noticed or reported during the course of our audit.

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

Arati Parmar
Partner
Membership No: 102888

Place : London
Date : May 23, 2013

Balance Sheet

Particulars	Note No.	As at March 31, 2013 ₹	As at March 31, 2012 ₹
EQUITY AND LIABILITIES			
SHAREHOLDERS' FUNDS			
Share Capital	3	294,746,685	294,746,685
Reserves and Surplus	4	3,289,504,843	3,028,843,743
		3,584,251,528	3,323,590,428
NON-CURRENT LIABILITIES			
Deferred Tax Liabilities (Net)	5	17,356,264	12,799,737
Other Long-Term Liabilities	6	1,596,735	16,904,233
Long-Term Provisions	7	50,411,201	48,126,805
		69,364,200	77,830,775
CURRENT LIABILITIES			
Short-Term Borrowings	8	213,511,674	244,030,441
Trade Payables	45	128,090,171	82,555,638
Other Current Liabilities	9	45,994,916	40,604,250
Short-Term Provisions	10	76,586,932	73,142,621
		464,183,693	440,332,950
TOTAL		4,117,799,421	3,841,754,153
ASSETS			
NON-CURRENT ASSETS			
Fixed Assets	11		
- Tangible Assets		988,371,569	919,745,705
- Intangible Assets		26,899,186	13,458,235
Capital Work-in-progress		171,301,014	160,800,840
Non-Current Investments	12	1,631,674,790	1,705,295,437
Amount recoverable from ESOP trust	39	64,952,691	69,347,270
Long-Term Loans and Advances	13	280,380,904	298,954,182
Other Non-Current Assets	14	2,800,875	6,546,000
		3,166,381,029	3,174,147,669
CURRENT ASSETS			
Current Investments	15	332,792,486	176,456,457
Trade Receivables	16	343,085,050	275,561,435
Cash and Bank Balances	17	52,267,543	28,847,608
Short-Term Loans and Advances	18	202,380,479	158,363,278
Other Current Assets	19	20,892,834	28,377,706
		951,418,392	667,606,484
TOTAL		4,117,799,421	3,841,754,153
Significant accounting policies and notes forming part of the financial statements	1-48		

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

Arati Parmar
Partner
Membership No. 102888

Place : London
Dated : May 23, 2013

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : Mumbai
Dated : May 23, 2013

Statement of Profit and Loss

Particulars	Note No.	For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
REVENUE FROM OPERATIONS	**20**	**1,860,862,925**	1,638,836,866
Other Income	**21**	**137,291,041**	90,836,504
Total Revenue		**1,998,153,966**	1,729,673,370
EXPENSES			
Purchase of IT Products & Licenses		**3,886,142**	5,116,203
Employee Benefits Expenses	**22**	**1,088,306,376**	955,418,826
Finance Costs	**23**	**25,785,326**	15,070,146
Depreciation and Amortization Expenses	**11**	**68,859,915**	60,939,917
Other Expenses	**24**	**457,773,801**	416,660,917
Total Expenses		**1,644,611,560**	1,453,206,009
Profit / (Loss) Before Tax		**353,542,406**	276,467,361
Tax Expense			
- Current Tax		**64,600,000**	69,500,000
- MAT Credit Entitlement		**(4,139,696)**	(14,625,000)
- Deferred Tax	**5**	**4,556,527**	697,512
- Wealth Tax		**113,462**	147,000
- Tax Adjustment of earlier years		**(5,327,668)**	1,705,832
Profit / (Loss) After Tax for the year		**293,739,781**	219,042,017
Earnings per share (Face value ₹ 5 each (P.Y. ₹ 5 each)) in ₹	**37**		
- Basic		**4.98**	3.72
- Diluted		**4.98**	3.72
Significant accounting policies and notes forming part of the financial statements	**1-48**		

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

Arati Parmar
Partner
Membership No. 102888

Place : London
Dated : May 23, 2013

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : Mumbai
Dated : May 23, 2013

Significant Accounting Policies and Notes forming part of the Financial Statements

1 Company Overview:

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

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

2 Significant Accounting Policies

I. System of Accounting:

The accounts have been prepared on the basis of Going Concern concept and under the historical cost convention except for certain Fixed Assets which are revalued. The Company adopts accrual basis in preparation of its accounts to comply in all material aspects with applicable accounting principles generally accepted in India, the Accounting Standards as specified in the Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 1956, to the extent applicable. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year, unless otherwise mentioned in the notes.

II. Use of Estimates:

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

III. Revenue Recognition:

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

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

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

Revenue from software development on a time-and-material basis is recognised based on software developed and billed on clients as per the terms of specific contracts and revenue in excess of billing on related services is recognised and classified as unbilled revenue.

Discount is recognised on Cash basis in accordance with the contractual term of the agreement with the customers.

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

Fixed Assets are valued at cost, except for certain Fixed Assets which have been stated at revalued amounts as determined by approved independent valuer, after reducing accumulated depreciation until the date of the balance

Significant Accounting Policies and Notes forming part of the Financial Statements

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

V. Depreciation and Amortization:

Depreciation on fixed assets is provided on straight-line basis except for leasehold and freehold land at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956. Individual assets cost of which doesn't exceed ₹ 5,000 each are depreciated in full in the year of purchase. Intangible assets including internally developed intangible assets are amortized over a period of three years for which the Company expects the benefits to accrue. Leasehold Premises is being depreciated over 15 years.

VI. Valuation of Inventories:

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

VII. Investments:

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

VIII. Employee Benefits:

(i) Defined Contribution Plan

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

(ii) **Defined Benefit Plan**

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

IX. Foreign Exchange Transactions:

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

(ii) Monetary items denominated in foreign currencies at the balance sheet date are translated at the balance sheet date rates.

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

X. Derivative Instruments and Hedge Accounting:

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

Significant Accounting Policies and Notes forming part of the Financial Statements

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognised directly in shareholders' funds and the ineffective portion is recognised immediately in the statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the statement of profit and loss as they arise.

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

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

XI. Operating Lease:

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

XII. Taxation:

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

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

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

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

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

XIII. Borrowing Cost:

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

XIV. Cash Flow Statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments

Significant Accounting Policies and Notes forming part of the Financial Statements

and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

XV. Earnings Per Share:

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

XVI. Employee Stock Option Scheme:

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

XVII. Impairment of Assets:

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

XVIII. Provision, Contingent Liabilities and Contingent Assets:

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

Contingent Assets are neither recognised, nor disclosed.

XIX. Cash and Cash Equivalents:

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

XX. Segment Reporting:

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

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

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

Notes forming part of the Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
3 SHARE CAPITAL		
a) AUTHORISED		
100,000,000 (P.Y. 100,000,000) Equity shares of ₹ 5 each	**500,000,000**	500,000,000
30,000,000 (P.Y. 30,000,000) Redeemable Preference Shares of ₹ 10 each	**300,000,000**	300,000,000
TOTAL	**800,000,000**	800,000,000
b) ISSUED		
58,949,337 (P.Y. 58,949,337) Equity Shares of ₹ 5 each fully paid up	**294,746,685**	294,746,685
TOTAL	**294,746,685**	294,746,685
c) SUBSCRIBED & PAID UP		
58,949,337 (P.Y. 58,949,337) Equity Shares of ₹ 5 each fully paid up	**294,746,685**	294,746,685
TOTAL	**294,746,685**	294,746,685

d) Reconciliation of Number of Shares

	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	₹	Number of Shares	₹
Equity Shares:				
Shares outstanding at the beginning of the year	**58,949,337**	**294,746,685**	58,949,337	294,746,685
Shares Issued during the year	–	–	–	–
Shares bought back during the year	–	–	–	–
Shares outstanding at the end of the year	**58,949,337**	**294,746,685**	58,949,337	294,746,685

e) Rights, preferences and restrictions attached to shares:

Equity Shares: The Company 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 dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

f) Shares held by holding Company

	As at March 31, 2013	As at March 31, 2012
	₹	₹
Equity Shares		
31,813,742 (P.Y. 31,813,742) Equity Shares of ₹ 5 each held by Delta Infosolutions Private Limited, the Holding Company	**159,068,710**	159,068,710

Notes forming part of the Financial Statements

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

	As at March 31, 2013		As at March 31, 2012	
	Number of Shares	**% of aggregate number of shares**	Number of Shares	% of aggregate number of shares
Equity Shares				
Delta Infosolutions Private Limited, the Holding Company	**31,813,742**	**53.97%**	31,813,742	53.97%
Lalit Surajmal Kanodia	**3,830,995**	**6.50%**	3,830,995	6.50%
Asha Lalit Kanodia	**3,905,258**	**6.62%**	3,905,258	6.62%

h) For the period of five years immediately preceding the Balance Sheet date:

	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010	March 31, 2009
Equity Shares of ₹ 5 each allotted as fully paid up pursuant to contract(s) without consideration being received in cash	**18,150,000**	18,150,000	18,150,000	18,150,000	18,150,000
Equity Shares of ₹ 5 each allotted as fully paid up bonus shares by capitalisation of General Reserve and Share Premium.	**28,480,000**	28,480,000	28,480,000	28,480,000	28,480,000

	As at March 31, 2013 ₹	As at March 31, 2012 ₹
4 RESERVES AND SURPLUS		
a) CAPITAL RESERVE		
Balance as per last Balance Sheet	**3,524,880**	3,524,880
	3,524,880	3,524,880
b) CAPITAL REDEMPTION RESERVE		
Balance as per last Balance Sheet	**244,281,250**	244,281,250
	244,281,250	244,281,250
c) SECURITIES PREMIUM		
Balance as per last Balance Sheet	**1,080,078,716**	1,080,078,716
	1,080,078,716	1,080,078,716
d) EMPLOYEE STOCK OPTION OUTSTANDING		
Employee Stock Option Outstanding	**6,282,800**	9,401,600
Less: Deferred Employee Compensation Expenses	**(1,960,884)**	(6,771,185)
(Refer Note no. 39)	**4,321,916**	2,630,415
e) HEDGING RESERVE ACCOUNT		
Balance as per last Balance Sheet	**(20,821,979)**	–
Add: Gain / (Loss) on cash flow hedging derivatives	**25,725,557**	(20,821,979)
(Refer Note no. 28)	**4,903,578**	(20,821,979)

Notes forming part of the Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
f) GENERAL RESERVE		
Balance as per last Balance Sheet	**974,057,362**	924,057,362
Add: Transferred from Profit and Loss Statement	**30,000,000**	50,000,000
	1,004,057,362	974,057,362
g) SURPLUS IN PROFIT AND LOSS STATEMENT		
Balance brought forward from last year	**745,093,099**	627,435,377
Add: Profit for the year	**293,739,781**	219,042,017
Less: Appropriations		
Proposed Dividend on Equity Shares	**58,949,337**	44,212,003
Tax on Equity Dividend	**1,546,402**	7,172,292
Transfer to General Reserve	**30,000,000**	50,000,000
Closing Balance	**948,337,141**	745,093,099
TOTAL	**3,289,504,843**	3,028,843,743

5 Deferred Tax Liabilities (Net):

The tax effect of significant timing differences that has resulted in deferred tax assets and liabilities are given below:

(Amount in ₹)

Particulars	March 31, 2013	March 31, 2012
a) Deferred Tax Liability		
Depreciation	**36,916,988**	31,620,224
Total	**36,916,988**	31,620,224
b) Deferred Tax Asset		
Disallowance under Income Tax Act, 1961	**(19,560,724)**	(18,820,487)
Total	**(19,560,724)**	(18,820,487)
Deferred Tax Liability	**17,356,264**	12,799,737
Provided upto last year	**12,799,737**	12,102,225
Provision for additional Deferred Tax Liability	**4,556,527**	697,512

	As at March 31, 2013	As at March 31, 2012
	₹	₹
6 OTHER LONG-TERM LIABILITIES		
Other Payables:		
Capital Creditor (Refer Note no. 45)	**1,596,735**	812,504
Fair Value of Outstanding Forward Contracts (Refer Note no. 28)	**–**	16,091,729
TOTAL	**1,596,735**	16,904,233
7 LONG TERM PROVISIONS		
Provision for Employee Benefits (Refer Note no. 33):		
For Gratuity (Unfunded)	**34,359,198**	34,618,438
For Leave Encashment	**16,052,003**	13,508,367
TOTAL	**50,411,201**	48,126,805

Notes forming part of the Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
8	**SHORT TERM BORROWINGS**		
	Other Loans and Advances		
	From Banks		
	Secured Loans	**213,511,674**	244,030,441
	(Working Capital loan from Standard Chartered Bank and Citibank N.A. is secured by way of First Charge on Hypothecation of Stock, Book Debts and Movable Fixed Assets of the Company both past and present. Working Capital loan from Citibank N.A. is secured by way of Hypothecation of Immovable Property of Nashik)		
	TOTAL	**213,511,674**	244,030,441
9	**OTHER CURRENT LIABILITIES**		
	Interest Accrued but Not Due on Borrowings	**219,123**	313,695
	Advance received from Customers (Refer Note no. 35)	**20,591,745**	20,174,850
	Unpaid Dividends	**1,779,850**	1,944,596
	Statutory Liabilities	**23,404,198**	13,440,859
	Fair Value of Outstanding Forward Contracts (Refer Note no. 28)	–	4,730,250
	TOTAL	**45,994,916**	40,604,250
10	**SHORT TERM PROVISIONS**		
	Provision for Employee Benefits (Refer Note no. 33):		
	For Gratuity (Unfunded)	**2,535,896**	3,670,135
	For Leave Encashment	**5,929,173**	4,881,819
	Others:		
	For Proposed Dividend on Equity Shares	**58,949,337**	44,212,003
	For Tax on Proposed Equity Dividend	**7,106,177**	7,172,292
	For Direct Taxes (Net)	**2,066,349**	13,206,372
	TOTAL	**76,586,932**	73,142,621

Significant Accounting Policies and Notes forming part of the Financial Statements

Note 11

FIXED ASSETS (Amount In ₹)

Description	GROSS BLOCK				DEPRECIATION / AMORTIZATION				NET BLOCK	
	Balance as on 1-Apr-12	Additions during the Year	(Deductions) / Adjustments during the Year	Balance as on 31-Mar-13	Balance upto 1-Apr-12	Additions during the Year	(Deductions) / Adjustments during the Year	Balance upto 31-Mar-13	Balance as on 31-Mar-13	Balance as on 31-Mar-12
TANGIBLE ASSETS										
LAND*	567,850,546	39,550,000	–	607,400,546	–	–	–	–	607,400,546	567,850,546
BUILDINGS	145,045,927	116,940	–	145,162,867	17,617,924	2,365,577	–	19,983,501	125,179,366	127,428,003
PLANT & EQUIPMENT	11,183,316	719,626	–	11,902,942	2,130,769	558,216	–	2,688,985	9,213,957	9,052,547
FURNITURE & FIXTURES	131,371,013	10,357,597	–	141,728,610	69,200,906	8,151,286	–	77,352,192	64,376,418	62,170,107
VEHICLES	25,226,040	3,640,268	(2,333,458)	26,532,850	7,540,069	2,352,354	(1,193,483)	8,698,940	17,833,910	17,685,971
OFFICE EQUIPMENTS	32,087,853	7,417,498	–	39,505,351	15,881,343	1,497,727	–	17,379,070	22,126,281	16,206,510
COMPUTERS	281,212,876	40,251,537	(827,412)	320,637,001	223,699,453	21,847,565	(827,412)	244,719,606	75,917,395	57,513,423
AIR CONDITIONERS	32,724,351	3,475,136	–	36,199,487	12,272,643	1,577,388	–	13,850,031	22,349,456	20,451,708
ELECTRICAL FITTINGS	53,573,728	4,741,796	–	58,315,524	18,701,593	2,616,778	–	21,318,371	36,997,153	34,872,135
LEASEHOLD IMPROVEMENTS	10,717,165	1,154,700	–	11,871,865	4,202,411	692,367	–	4,894,778	6,977,087	6,514,754
TANGIBLE ASSETS TOTAL (A)	**1,290,992,815**	**111,425,098**	**(3,160,870)**	**1,399,257,043**	**371,247,111**	**41,659,258**	**(2,020,895)**	**410,885,474**	**988,371,569**	**919,745,705**
PREVIOUS YEAR TOTAL (1)	**1,023,391,569**	**268,887,837**	**(1,286,601)**	**1,290,992,815**	**335,537,614**	**36,187,657**	**(478,160)**	**371,247,111**	**919,745,705**	
INTANGIBLE ASSETS										
COMPUTER SOFTWARE										
INTERNAL DEVELOPED SOFTWARE	9,563,000	–	–	9,563,000	9,563,000	–	–	9,563,000	–	–
OTHER SOFTWARES	182,617,902	40,641,607	–	223,259,509	169,159,666	27,200,657	–	196,360,323	26,899,186	13,458,235
INTANGIBLE ASSETS TOTAL (B)	**192,180,902**	**40,641,607**	**–**	**232,822,509**	**178,722,666**	**27,200,657**	**–**	**205,923,323**	**26,899,186**	**13,458,235**
PREVIOUS YEAR TOTAL (2)	**169,598,091**	**22,582,811**	**–**	**192,180,902**	**153,970,409**	**24,752,258**	**–**	**178,722,666**	**13,458,235**	
GRAND TOTAL (A+B)	**1,483,173,717**	**152,066,705**	**(3,160,870)**	**1,632,079,552**	**549,969,777**	**68,859,915**	**(2,020,895)**	**616,808,797**	**1,015,270,755**	**933,203,940**
PREVIOUS YEAR TOTAL (1+2)	**1,192,989,660**	**291,470,648**	**(1,286,601)**	**1,483,173,717**	**489,508,023**	**60,939,917**	**(478,160)**	**549,969,777**	**933,203,940**	
CAPITAL WORK-IN-PROGESS									**171,301,014**	**160,800,840**

* Note:

(1) The above amount includes Freehold land of ₹ 267,050,214 (P.Y. ₹ 227,500,214) and Leasehold land of ₹ 340,350,332 (P.Y. ₹ 340,350,332)

(2) Gross Block includes ₹ 317,231,030 (P.Y. ₹ 317,231,030) being the amount added on revaluation of Land in the F.Y. 2008-09, based on report issued by approved independent valuer.

Notes forming part of the Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
12	**NON CURRENT INVESTMENTS**		
	UNQUOTED (Trade) (At Cost)		
	Investments in Equity Shares		
	- In Subsidiary Companies (Refer Note no. 42)		
	300,001 (P.Y. 300,001) fully paid equity shares of Datamatics Technologies UK Limited, a Company incorporated in United Kingdom of UKP 1 each	**23,886,584**	23,886,584
	1,000 (P.Y. 1,000) no par value fully paid common stock in Datamatics Global Services Inc., a Company incorporated in USA	**644,042,966**	644,042,966
	50,000 (P.Y. 50,000) fully paid equity shares of Datamatics Global Services Pty Limited of AUD 1 each	**1,562,846**	1,562,846
	20,000 (P.Y. 20,000) fully paid equity shares of Datamatics Infotech Limited, UK of UKP 1 each	**1,711,255**	1,711,255
	218,605 (P.Y. 218,605) fully paid equity shares of Datamatics Software Services Limited of ₹ 10 each	**2,040,324**	2,040,324
	2,025,000 (P.Y. 1,025,000) fully paid equity shares of Datamatics Global Services GmbH, a Company incorporated in Germany of EURO 1 each (Refer Note no. 40)	**195,952,090**	125,202,090
	1,000,000 (P.Y. 1,000,000) fully paid equity shares of Datamatics Global Technologies Limited, a Company incorporated in Mauritius of USD 1 each	**46,049,125**	46,049,125
	50,000 (P.Y. 50,000) fully paid equity shares of Datamatics Global Technologies AG, a Company incorporated in Switzerland of CHF 1 each	**2,255,000**	2,255,000
	428,390 (P.Y. 419,990) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each * (Refer Note no. 40)	**7,937,900**	–
	- In Joint Venture Company		
	428,390 (P.Y. 419,990) fully paid equity shares of Cybercom Datamatics Information Solutions Limited of ₹ 10 each * (Refer Note no. 40)	**–**	4,199,900
	* During the year ended March 31, 2013, the Company had acquired 8,400 equity shares of Cybercom Datamatics Information Solutions Limited (CDISL), a joint venture entity, making Cybercom Datamatics Information Solutions Limited a Subsidiary of the Company with effect from August 27, 2012.		
	Investment in Preference shares		
	- In Subsidiary Companies (Refer Note no. 42)		
	12,920,000 (P. Y. 12,920,000) fully paid 8% Optionally Convertible Non - Cumulative Redeemable Preference Shares of Datamatics Software Services Limited of ₹ 10 each	**129,200,000**	129,200,000

Notes forming part of the Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
1,200,000 (P.Y. 1,200,000) fully paid Series I, Non Cumulative Redeemable 8% Preference shares of Datamatics Global Technologies Ltd., a Company incorporated in Mauritius of USD 1 each	**56,244,000**	56,244,000
500,000 (P.Y. 500,000) fully paid Series II, Non Cumulative Redeemable 8% Preference shares of Datamatics Global Technologies Ltd., a Company incorporated in Mauritius of USD 1 each	**22,365,500**	22,365,500
8,550,000 (P.Y. 8,550,000) fully paid Series III, Non Cumulative Redeemable 8% Preference shares of Datamatics Global Technologies Ltd., a Company incorporated in Mauritius of USD 1 each	**391,718,250**	391,718,250
UNQUOTED (NON-TRADE) (AT COST)		
Investments in Bonds		
Nil (P.Y. 0.188) Solaris Holding NCD of ₹ 106,832,622.28 each	–	20,478,978
Nil (P.Y. 200) LILY 19% NCD of ₹ 100,000 each	–	20,241,422
Nil (P.Y. 10) 10.05% AIR India Bonds of ₹ 500,000 each	–	10,629,934
Investments in Debentures		
Nil (P.Y. 200) debentures of ₹ 100,000 each of Edelweiss Capital Ltd.	–	20,220,600
Nil (P.Y. 100) debentures of ₹ 100,000 each of RBS Financial Services (India) Pvt. Ltd.	–	10,110,300
Nil (P.Y. 25) debentures of ₹ 100,000 each of Deutsche Investments India Pvt. Ltd.	–	2,541,363
Nil (P.Y. 200) debentures of ₹ 100,000 each of ECL Finance Ltd. B3F101-10062011	–	20,165,450
100 (P.Y. 300) debentures of ₹ 100,000 each of ECL Finance Ltd.	**10,150,000**	30,370,600
5,000 (P.Y. 5,000) debentures of ₹ 1,000 each of IIISL @11.70%	**5,000,000**	5,000,000
30 (P.Y. 30) debentures of ₹ 100,000 each of Macquarie Finance Pvt. Ltd.	**3,033,090**	3,033,090
2 (P.Y. Nil) debentures of ₹ 4,000,000 each of Devadatta Build Tech Pvt. Ltd. 18%	**8,000,000**	–
100 (P.Y. Nil) debentures of ₹ 100,000 each of ECL fixed coupon Structured product @11.02% series I2E201	**10,000,000**	–
QUOTED - NON TRADE (AT COST)		
- In Equity shares		
a) 900 (P. Y. 900) fully paid Equity Shares of ₹ 10 each of Cybertech Ltd.	**510,767**	510,767
Less: Provision for dimunition in value	**494,297**	494,297
	16,470	16,470
b) 6,100 (P. Y. 6,100) fully paid Equity Shares of ₹ 2 each of Wipro Ltd.	**3,739,473**	3,739,473
Less: Provision for dimunition in value	**1,152,035**	1,152,035
	2,587,438	2,587,438

Notes forming part of the Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
c) 5,000 (P. Y. 5,000) fully paid Equity Shares of ₹ 1 each of Vikas WSP Ltd.	**552,950**	552,950
Less: Provision for dimunition in value	**389,950**	389,950
	163,000	163,000
d) 800 (P. Y. 800) fully paid Equity Shares of ₹ 10 each of Reliance Industries Ltd.	**807,621**	807,621
e) 400 (P. Y. 400) fully paid Equity Shares of ₹ 5 each of Mahindra and Mahindra Ltd.	**205,649**	205,649
f) 8,998 (P. Y. 8,998) fully paid Equity Shares of ₹ 10 each of Coal India Ltd.	**2,204,510**	2,204,510
g) 38,767 (P. Y. 38,767) fully paid Equity Shares of ₹ 10 each of Powergrid Corporation.	**3,489,030**	3,489,030
h) 50,000 (P. Y. 50,000) fully paid Equity Shares of ₹ 10 each of GSS America.	**8,607,206**	8,607,206
i) 1,000 (P.Y. 1,000) fully paid Equity Shares of ₹ 10 each of Axis Bank Ltd.	**1,216,774**	1,216,774
j) 800 (P.Y. 800) fully paid Equity Shares of ₹ 2 each of Larsen and Toubro Ltd.	**1,228,161**	1,228,161
QUOTED - NON TRADE (AT COST)		
- In units of Mutual funds fully paid		
Nil (P.Y. 5,000,000) Units of BNP Paribas Fixed Term Fund - Series 21 F (Face Value of ₹ 10 each)	**–**	50,000,000
Nil (P.Y. 3,844,337) Units of ICICI Prudential Interval Fund - Annual Interval Plan I (Face Value of ₹ 10 each)	**–**	41,500,000
1,000,000 (P.Y. Nil) Units of Birla Sun Life Fixed Term Plan - Series GI (1185 Days) - Growth (Face Value of ₹ 10 each)	**10,000,000**	–
2,000,000 (P.Y. Nil) Units of IDFC FTP Series 16 Regular Plan - Growth (Face Value of ₹ 10 each)	**20,000,000**	–
2,000,000 (P.Y. Nil) Units of Reliance FHF XXIII Series 4 - Growth (Face Value of ₹ 10 each) **	**20,000,000**	–
** Out of the above 2,000,000 (P.Y. Nil) units are under lien with Deutsche Bank AG for loan taken by Datamatics Global Services Germany.		
TOTAL NON-CURRENT INVESTMENTS	**1,631,674,790**	1,705,295,437
Aggregate of Quoted Investments	**70,525,859**	112,025,860
Market Value of Quoted Investment	**65,020,555**	98,893,810
Aggregate of Unquoted Investments	**1,561,148,930**	1,593,269,577
Aggregate of Provision for dimunition in value	**2,036,282**	2,036,282

Notes forming part of the Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
13	**LONG TERM LOANS AND ADVANCES**		
	(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)		
	Advance Tax - FBT (Net)	**497,993**	1,019,832
	MAT Credit Entitlement	**31,225,198**	31,225,198
	Capital Advances	**3,841,000**	41,366,500
	Security Deposits	**21,611,487**	11,042,724
	Loans and advances to Subsidiaries (Net) (Refer Note no. 35, 38, 42 & 44)	**208,995,156**	197,414,584
	Service Tax Receivable	**3,927,284**	12,512,760
	Prepaid Expenses	**482,281**	522,584
	Advance to Employees	**5,100,000**	3,800,000
	Other Receivables	**1,739,037**	50,000
	Fair Value of Outstanding Forward Contracts	**2,961,468**	–
	TOTAL	**280,380,904**	298,954,182
14	**OTHER NON-CURRENT ASSETS**		
	(Unsecured, considered good)		
	Non-Current Bank Deposits (original maturity of more than 12 months)	**2,800,875**	6,546,000
	TOTAL	**2,800,875**	6,546,000
	All the above ₹ 2,800,875 (P.Y. ₹ 6,546,000) are marked as Lien for Guarantees issued by Banks on behalf of the Company.		
15	**CURRENT INVESTMENTS**		
	(At Cost or Fair Value whichever is less)		
	QUOTED - NON TRADE		
	Investment in Liquid Mutual Funds fully paid		
	750,378 (P.Y. 1,661,378) Units of DWS Short Maturity Fund - Growth (Face Value of ₹ 10 each) **	**9,033,199**	20,000,000
	2,772,746 (P.Y. 2,772,746) Units of Templeton India Low Duration - Growth (Face Value of ₹ 10 each) **	**30,000,000**	30,000,000
	4,448 (P.Y. 9,948) Units of Templeton India STIP - Growth (Face Value of ₹ 1,000 each) **	**8,942,342**	20,000,000
	1,135,771 (P.Y. 1,135,771) Units of Birla Sun Life Fixed Term Plan Series FC - Growth (Face Value of ₹ 10 each) **	**11,357,715**	11,357,715
	3,500,000 (P.Y. 3,500,000) Units of ICICI Prudential Fixed Maturity Plan-Series 63-384 Days Plan A Cumulative - Growth (Face Value of ₹ 10 each)**	**35,000,000**	35,000,000
	1,000,000 (P.Y. 1,000,000) Units of DWS Fixed Maturity Plan - Series 10 (DFMP - 10) - Growth (Face Value of ₹ 10 each)	**10,000,000**	10,000,000
	Nil (P.Y. 1,340,457) Units of Templeton India Ultra Short Bond Fund -Super - IP -DDR (Face Value of ₹ 10 each)	–	13,420,114
	Nil (P.Y. 798,826) Units of Peerless Ultra Short Term Fund - Super IP - DDR (Face Value of ₹ 10 each)	–	8,000,000
	Nil (P.Y. 2,590,631) Units of HDFC Cash Management Fund - Saving Plan - DDR (Face Value of ₹ 10 each)	–	27,554,982
	Nil (P.Y. 500) Units of Morgan Stanley Liquid Fund - Daily Dividend (Face Value of ₹ 1,000 each)	–	500,000

Notes forming part of the Financial Statements

	As at March 31, 2013	As at March 31, 2012
	₹	₹
462,374 (P.Y. Nil) Units of IDFC Dynamic bond Fund Plan - Growth - Plan A (Face Value of ₹ 10 each) ***	**10,000,000**	–
1,491,198 (P.Y. Nil) Units of ICICI Prudential Ultra Short Term Reg Plan - DDR (Face Value of ₹ 10 each)	**15,009,058**	–
626,331 (P.Y. Nil) Units of Birla Sun Life Floating Rate Fund - STP - DDR (Face Value of ₹ 100 each)	**62,645,595**	–
70,548 (P.Y. Nil) Units of Kotak Floater ST - DDR (Face Value of ₹ 1,000 each)	**71,368,178**	–
12,593 (P.Y. Nil) Units of UTI Floating Rate Fund STP - Reg Plan - Direct Plan - DDR (Face Value of ₹ 1,000 each)	**13,560,909**	–
2 (P.Y. Nil) Units of Pinebridge India Short Term Fund Standard WDR (Face Value of ₹ 1,000 each)	**1,844**	–
501,404 (P.Y. Nil) Units of IIFL Income Opportunities Fund – AIF - Growth (Face Value of ₹ 10 each)	**5,250,000**	–
660,925 (P.Y. Nil) Units of ICICI Prudential Income Opportunities Fund - Retail - Growth (Face Value of ₹ 10 each) ***	**10,000,000**	–
197,334 (P.Y. Nil) Units of Birla Sun Life Income Plus - Growth (Face Value of ₹ 10 each) **	**10,000,000**	–
905,334 (P.Y. Nil) Units of HDFC Short Term Plan - Growth (Face Value of ₹ 10 each)	**20,000,000**	–
663,473 (P.Y. Nil) Units of Reliance Dynamic Bond Fund - Growth (Face Value of ₹ 10 each) **	**10,000,000**	–
** Out of the above 9,024,150 (P.Y. 1,661,378) units are under lien with Deutsche Bank AG for loan taken by Datamatics Global Services Germany.		
*** Out of the above 1,123,299 (P.Y. Nil) units are under lien with Citi Bank N.A. for loan taken by Datamatics Global Services Inc.		
UNQUOTED - NON TRADE		
Investments in Portfolio Management Services (PMS)		
Reliance Capital Asset Management Limited	**623,646**	623,646
TOTAL CURRENT INVESTMENTS	**332,792,486**	**176,456,457**
Aggregate of Quoted Investment	**332,168,840**	**175,832,811**
Market Value of Quoted Investment	**348,225,967**	**180,632,147**
Aggregate of Unquoted Investments	**623,646**	**623,646**

16	**TRADE RECEIVABLES**		
	Unsecured		
	Over six months from the date they were due for payment		
	Considered Good	**24,210,812**	8,990,422
	Others		
	Considered Good	**318,874,238**	266,571,013
	TOTAL	**343,085,050**	275,561,435
	(Refer Note no. 32, 35 (ii) & 43)		

Notes forming part of the Financial Statements

		As at March 31, 2013	As at March 31, 2012
		₹	₹
17	**CASH AND BANK BALANCES**		
	CASH AND CASH EQUIVALENTS		
	BANK BALANCES		
	- In Current Accounts	**33,053,932**	16,145,817
	- In Exchange Earner's Foreign Currency Account	**5,158,368**	7,299,173
	Cheques on Hand	**–**	336,645
	Cash on Hand	**185,125**	329,287
	Foreign Currency On Hand	**490,526**	856,988
	SUB-TOTAL	**38,887,951**	24,967,910
	OTHER BANK BALANCES		
	- In Margin Accounts (original maturity of more than 3 months and less than 12 months)*	**11,593,876**	1,917,455
	- In Unclaimed Dividend Accounts	**1,785,716**	1,962,243
	SUB-TOTAL	**13,379,592**	3,879,698
	GRAND TOTAL	**52,267,543**	28,847,608

* All of the above ₹ 11,593,876 (P.Y. ₹ 1,917,455) are marked as Lien for Guarantees issued by Banks on behalf of the Company.

18	**SHORT TERM LOANS AND ADVANCES**		
	(Unsecured, considered good for value to be received in Cash or in Kind, unless otherwise specified)		
	MAT Credit Entitlement	**4,139,696**	8,384,974
	Security Deposits	**4,820,564**	10,711,876
	Inter-corporate Deposits	**120,000,000**	110,039,727
	Service Tax Receivable	**26,973,673**	2,563,445
	Prepaid Expenses	**14,205,194**	12,675,205
	Other Receivables	**18,533,447**	330,623
	Advance to Employees	**10,290,765**	8,639,044
	Advance to Vendors	**1,475,030**	5,018,384
	Fair Value of Outstanding Forward Contracts (Refer Note no. 28)	**1,942,110**	–
	Other Loans and advances		
	- Considered Doubtful	**6,042,708**	6,042,708
	- Less: Provision for bad & doubtful advances	**(6,042,708)**	(6,042,708)
	TOTAL	**202,380,479**	158,363,278
19	**OTHER CURRENT ASSETS**		
	Interest accrued on Investments	**9,850,593**	7,873,175
	Interest accrued but not due on deposits with bank	**854,118**	2,628,728
	Unbilled Revenue	**10,188,123**	17,875,803
	TOTAL	**20,892,834**	28,377,706

Notes forming part of the Financial Statements

		For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
20	**REVENUE FROM OPERATIONS**		
	Sales from Software Services:		
	Export	**1,751,196,275**	1,590,736,240
	Domestic	**105,232,628**	42,340,174
	Sale of Products and Licenses:		
	Domestic	**4,434,022**	5,760,452
	TOTAL	**1,860,862,925**	1,638,836,866
21	**OTHER INCOME**		
	Interest from banks	**1,145,445**	935,557
	Interest from Others:		
	- Current	**25,774,266**	28,015,551
	- Non-Current	**20,932,758**	22,471,325
	Dividend on Current Investments - Non Trade	**23,980,032**	5,199,470
	Dividend on Non-Current Investments - Non Trade	**34,477,049**	242,652
	Profit on Sale of Current Investments - Non Trade	**26,236,435**	20,630,394
	Profit on Sale of Non-Current Investments - Non Trade	**732,277**	13,005,275
	Corporate Gurarantee Fees (Refer Note no. 35)	**3,373,837**	–
	Miscellaneous Income	**638,942**	336,280
	TOTAL	**137,291,041**	90,836,504
22	**EMPLOYEE BENEFIT EXPENSES**		
	Salaries, Wages, Bonus & Allowances	**971,326,280**	853,571,848
	Contribution to Provident Fund and Other funds (Refer Note no. 33)	**40,809,376**	36,218,792
	Share Based Compensation (Refer Note no. 39)	**1,999,080**	2,630,415
	Welfare Expenditure	**43,309,217**	36,754,714
	Directors Remuneration (Refer Note no. 35)	**30,862,423**	26,243,057
	TOTAL	**1,088,306,376**	955,418,826
23	**FINANCE COST**		
	Interest	**25,785,326**	15,070,146
	TOTAL	**25,785,326**	15,070,146

Notes forming part of the Financial Statements

		For the year ended March 31, 2013 ₹	For the year ended March 31, 2012 ₹
24	**OTHER EXPENSES**		
	Knowledge Associates / Vendor Charges	**46,700,494**	33,606,335
	Electricity	**51,262,810**	39,547,845
	Technical Fees (Refer Note no. 35)	**44,534,430**	33,025,534
	Travelling Expenses	**121,968,947**	126,914,724
	Link Charges	**13,337,155**	10,200,072
	Rent (Refer Note no. 35 & 36)	**24,915,997**	22,949,560
	Rates and Taxes	**6,101,297**	3,832,762
	Communication Expenses	**13,675,357**	13,019,900
	Legal and Professional Charges	**15,947,693**	10,579,640
	Remuneration to Auditors (Refer Note no. 29)	**1,961,537**	1,275,521
	Repairs and Maintenance:		
	- Building	**4,236,589**	2,454,064
	- IT & Machinery	**16,100,779**	9,104,521
	Repair Others	**11,878,314**	10,485,903
	Insurance Premium	**2,816,886**	2,803,676
	Sales Commission	**–**	1,758,242
	Board Sitting Fees	**390,000**	310,000
	Advertisement and Sales Promotion Expenses	**21,144,498**	11,096,645
	Subscription Charges	**7,553,503**	5,605,987
	Lease Rent & Hire Charges	**3,509,251**	3,834,981
	Entertainment Expenses	**2,683,203**	2,218,919
	Miscellaneous Expenses	**5,151,535**	4,702,383
	Sundry Balances Written off (Net)	**129,324**	–
	Loss on sale of Fixed Assets (Net)	**378,081**	808,428
	Bad debts Written off	**–**	37,353,563
	Exchange Fluctuation (Net)	**21,225,852**	6,910,847
	Bank & Other charges	**2,526,212**	1,665,411
	Recruitment Expenses (Refer Note no. 35)	**6,205,210**	10,242,530
	Printing & Stationery	**3,648,036**	3,179,532
	Photocopying Charges	**201,862**	1,394,758
	Security Charges	**7,588,949**	5,778,634
	TOTAL	**457,773,801**	416,660,917

Notes forming part of the Financial Statements

25 Contingent Liability:

Provision is made in the accounts 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:

			31.03.2013	31.3.2012
			₹	₹
(a)	**Claims against the Company not acknowledged as debt:**			
	(i)	Income Tax matters	**18,562,821**	6,730,563
	(ii)	Sales Tax matters	**5,074,525**	5,074,525
(b)	**Details of guarantees and sureties outstanding as at:**			
	(i)	Guarantees given by Banks to Embassy Centre Premises Co-operative Society Ltd.	**425,930**	425,930
	(ii)	Guarantees given by Banks to the Assistant Commissioner of Central Excise and Customs Department	**849,875**	1,134,250
	(iii)	Guarantees given by Banks to UNFCCC, BONN, Germany for Euro 84,398.70	**6,118,000**	6,118,000
	(iv)	Guarantees given by Banks to Directorate of Information Technology	**2,000,000**	500,000
	(v)	Guarantees given by Banks to Mahanagar Gas Ltd.	**348,725**	285,275
	(vi)	Guarantees given by Banks to Agility Logistics Pvt. Ltd.	**500,000**	–
	(vii)	Guarantees given by Banks to Chief Accounts Officer, Aurangabad Muncipal Corporation.	**1,052,000**	–
	(viii)	Guarantees given by Banks to Webel Mediatronics Ltd.	**615,302**	–
	(ix)	Corporate Guarantees provided to Banks against credit facilities extended to Subsidiaries and Joint Venture Company	**319,420,000**	146,000,000

26 Capital and other commitments:

Estimated amount of contracts on capital account remaining to be executed and not provided (net of advances) for ₹ 6,626,297 (P.Y. ₹ 106,199,180).

27 Proposed Dividend

	31.03.2013	31.3.2012
	₹	₹
The final dividend proposed for the year is as follows:		
On Equity Shares of ₹ 5 each		
Amount of dividend proposed	**58,949,337**	44,212,003
Dividend per Equity Share	**₹ 1 per share**	₹ 0.75 per share

Notes forming part of the Financial Statements

28 The Company in accordance with its risk management policies and procedures, enters into foreign currency forward contracts to manage its exposure in foreign exchange rates. The counter party is generally a bank. These contracts are for a period between one month and two years.

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

Foreign Currency	**March 31, 2013**			March 31, 2012		
	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value (₹) gain / (loss)	No. of Contracts	Notional amount of Currency Forward contracts	Fair Value (₹) gain / (loss)
U.S. Dollar	102	7,320,000	3,118,018	51	5,317,500	(20,030,289)
Sterling Pound	6	270,000	1,489,253	12	435,000	(963,630)
Euro	6	180,000	151,034	12	315,000	171,940
Swiss Francs	6	111,522	145,273	–	–	–

Net profit / (loss) on derivative instruments of ₹ 4,903,578 (P.Y. ₹ (20,821,979)) recognised in Hedging reserve as of March 31, 2013, is expected to be reclassified to the statement of profit and loss by March 31, 2015. The foreign currency exposures that are not hedged by a derivative instrument or otherwise is ₹ 102,067,083 (P.Y. ₹ 252,186,237).

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

29 Auditor's remuneration includes:

	2012 - 13	**2011-12**
	₹	₹
Audit Fees	**1,390,000**	860,000
Other Services	**507,500**	380,000
Reimbursement of out of Pocket Expenses	**64,037**	35,521
	1,961,537	1,275,521

30 Activities in Foreign Currency:

		2012 - 13	**2011-12**
		₹	₹
(i)	**Earning in Foreign Currency**		
	FOB Value of Exports of ITES / BPO Segment	**1,751,196,275**	1,590,736,240
	Income in foreign currency		
	- Interest	**57,779**	135,418
	- Corporate Guarantee Fees	**2,598,658**	–
	Total	**1,753,852,712**	1,590,871,658
(ii)	**Expenditure in foreign currency (on accrual basis)**		
	CIF value of Import of capital goods	**8,108,516**	4,159,459
	Commission	**4,503,901**	1,985,673
	Foreign Travel	**78,947,469**	87,330,762
	Technical & Professional Fees	**13,360,677**	14,673,827
	Others	**11,360,730**	20,140,877
	Total	**116,281,293**	128,290,598

Notes forming part of the Financial Statements

(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	**2011-12**	2010-11
Amount remitted in equivalent dollar ($)	**$3,577.08**	$3,722.95
Amount remitted in equivalent Rupees (₹)	**186,188**	186,191

31 In the opinion of the Company, the Current Assets, Loans and Advances are approximately of the value stated, if realized in the ordinary course of business. The provision for all known Liabilities and for Depreciation is adequate and not in excess of the amount reasonably necessary.

32 The Company has received confirmations from few Trade receivables, Other receivables and for majority of loans and advances. Remaining Trade receivables, Other receivables, Trade payables and loans and advances are subject to confirmation and reconciliation if any.

33 Employee Benefits

(Amount in ₹)

	2012-13	2011-2012
Defined Contribution Plan		
I. Charge to the Profit and Loss Statement based on contributions		
Employers Contribution to Provident Fund	**32,007,696**	29,281,031
Employers Contribution to Employees' State Insurance	**8,098,534**	6,327,017
Employers Contribution to Employees' Pension Scheme 1995	**568,352**	494,447
Employers Contribution to Labour Welfare Fund & others	**134,794**	116,297
Included in Contribution to Provident Fund and other funds (Refer Note no. 22)	**40,809,376**	36,218,792
	Gratuity (Unfunded)	
	2012-13	**2011-12**
Defined Benefit Plan		
I. Disclosures for defined benefit plans based on actuarial reports as on March 31, 2013		
A. Change in Defined Benefit Obligation		
Present Value of Defined Benefit Obligation as at the beginning of the year	**38,288,573**	42,512,936
Interest Cost	**3,254,529**	3,697,135
Current Service Cost	**4,709,704**	8,192,235
Benefits Paid	**(10,063,258)**	(8,981,974)
Actuarial (gains) / loss	**705,546**	(7,131,759)
Present Value of Defined Benefit Obligation as at the end of the year	**36,895,094**	38,288,573
Included in Long-Term & Short-Term Provisions (Refer Note no. 7 & 10)		
B. Changes in Fair Value of Assets		
Fair Value of Plan Asset as at beginning of the year	**Nil**	Nil
Expected return on Plan Assets	**Nil**	Nil
Contributions by the employer	**10,063,258**	8,981,974
Benefits Paid	**(10,063,258)**	(8,981,974)
Actuarial gain / (loss)	**Nil**	Nil
Fair Value of Plan Asset as at end of the year	**Nil**	Nil
C. Amount recognised in the Balance Sheet		
Present value of defined benefit obligation as at end of the year	**36,895,094**	38,288,573
Fair Value of Plan Assets at the end of the year	**Nil**	Nil
Net Asset / (Liability) recognised in Balance Sheet (Refer Note no. 7 & 10)	**(36,895,094)**	(38,288,573)

Notes forming part of the Financial Statements

	2012-13	2011-2012
D. Expenses recognised in Profit and Loss Statement		
Current Service Cost	**4,709,704**	8,192,235
Interest Cost	**3,254,529**	3,697,135
Actuarial Losses / (Gains)	**705,546**	(7,131,759)
Total Expenses / (Income) recognised in Profit and Loss Statement	**8,669,779**	4,757,611
Included in Salaries,Wages, Bonus & Allowances (Refer Note no. 22)		
E. Principal Actuarial Assumptions used:		
1. Discount Rate (per annum)	**8.00%**	8.50%
2. Salary Escalation	**2.00%**	3.50%
3. Mortality table	**LIC (1994-96) Ultimate**	LIC (1994-96) Ultimate
F. Experience Adjustments:		
Experience Adjustments on Plan Liability (Gain) / Loss	**2,305,100**	4,829,030

Note:

Provision towards liability for Leave Encashment made on the basis of actuarial valuation as per Accounting Standard 15 (Revised). Actuarial value liability is ₹ 21,981,176 (P.Y. ₹ 18,390,186) based upon following assumptions:

	2012-13	2011-12
Discount Rate	**8.00%**	8.50%
Salary Escalation	**2.00%**	3.50%

34 The Management information system of the Company identifies and operates in a single primary business segment. In the opinion of the management these activities are governed by the same set of risk and returns as per AS17 dealing with segmental reporting. All the assets of the Company are located in India and hence secondary segmental reporting is on the basis of the geographical location of customers.

Performance of Business Segment is as follows:

(Amount in ₹)

	31.03.2013	31.03.2012
Revenue		
Sale to external customers	**1,751,196,275**	1,590,736,240
Segment result profit	**216,251,365**	185,630,857
Other Income	**137,291,041**	90,836,504
Direct Taxes	**59,802,625**	57,425,344
Profit from Ordinary Activities	**293,739,781**	219,042,017
Net Profit	**293,739,781**	219,042,017
Other Segment Information		
Capital Expenditure	**152,066,705**	291,470,648
Depreciation and Amortization	**68,859,915**	60,939,917
Non Cash Expenses other than depreciation (net)	**507,405**	38,161,991
Particulars of Segment Assets and Liabilities		
Segment Assets	**1,768,100,933**	1,589,235,286
Investments	**1,964,467,276**	1,881,751,894
Bank Deposits	**14,394,751**	8,463,455
Other Assets	**370,836,462**	362,303,519
Total Assets	**4,117,799,421**	**3,841,754,153**
Segment Liabilities	**446,289,916**	438,828,725
Other Liabilities	**87,257,977**	79,335,000
Total Liabilities	**533,547,893**	**518,163,725**

Notes forming part of the Financial Statements

Geographic Segment

Revenue attributable to the location of the customers is as follows (Amount in ₹)

	31.03.2013	31.03.2012
USA	**949,131,243**	828,712,188
Europe	**340,581,303**	600,534,975
Others	**571,150,379**	209,589,703
Total	**1,860,862,925**	1,638,836,866

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

35 Related Party Disclosures:

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

(A) Subsidiary Companies

Datamatics Global Services Inc.
Datamatics Global Services GmbH
Datamatics Technologies UK Ltd.
Datamatics Software Services Ltd.
Datamatics Global Technologies Ltd.
Datamatics Global Technologies AG
Datamatics Infotech Ltd.
Datamatics Global Services Pty. Ltd.
Datamatics Global Technologies GmbH (Stepdown Subsidiary)
Datamatics Global Holding Corp. (Stepdown Subsidiary)
Cignex Global Holding Corp. (Stepdown Subsidiary)
Cignex Datamatics Technologies Pvt. Ltd. (Stepdown Subsidiary)
Datamatics Vista Info Systems Pvt. Ltd. (Stepdown Subsidiary)
Cybercom Datamatics Information Solutions Ltd. (w.e.f. 27th August, 2012)
Cignex Datamatics Inc. (Stepdown Subsidiary)
Cignex Technologies Ltd. (Stepdown Subsidiary)
Cignex Datamatics Pte. Ltd. (Stepdown Subsidiary)
Datamatics Global Services Gmbh d.o.o. (Stepdown Subsidiary)

(B) Associate Companies and Joint Ventures

Datamatics Financial Services Ltd.
Cybercom Datamatics Information Solutions Ltd. (upto 26th August, 2012)
Amon Technologies Pvt. Ltd.
Anemone Management Consultancy Pvt. Ltd.
Datascan Services

(C) Key Managerial Personnel

Dr. L. S. Kanodia
Mr. Rahul L. Kanodia
Mr. Vidur V. Bhogilal
Mr. Sameer Kanodia

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

Mrs. Asha Kanodia
Mrs. Priyadarshini Kanodia
Datamatics Staffing Services Pvt. Ltd.
Datamatics Employee Welfare Trust

(E) Holding Company

Delta Infosolutions Pvt. Ltd.

Notes forming part of the Financial Statements

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

(Amount in ₹)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above		Refer to (i) E above	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Sales - Technical Services	**346,773,171**	**307,750,618**	**1,952,094**	**20,091,047**	–	–	–	–	–	–
Datamatics Global Services Inc.	313,933,334	278,290,760	–	–	–	–	–	–	–	–
Datamatics Global Services GmbH	23,658,446	13,272,606	–	–	–	–	–	–	–	–
Datamatics Global Technologies GmbH	501,347	872,379	–	–	–	–	–	–	–	–
Datamatics Global Services Pty. Ltd.	–	2,661,689	–	–	–	–	–	–	–	–
Datamatics Infotech Ltd.	7,271,354	12,653,184	–	–	–	–	–	–	–	–
Datamatics Global Technologies Ltd.	1,408,690	–	–	–	–	–	–	–	–	–
Datamatics Financial Services Ltd.	–	–	1,952,094	20,091,047	–	–	–	–	–	–
Technical Fees	**4,686,672**	**10,703,885**	–	–	–	–	**1,043,708**	–	–	–
Datamatics Infotech Ltd.	4,686,672	8,791,389	–	–	–	–	–	–	–	–
Datamatics Global Technologies Ltd.	–	1,912,496	–	–	–	–	–	–	–	–
Datamatics Staffing Services Pvt Ltd.	–	–	–	–	–	–	1,043,708	–	–	–
Purchase of Fixed Assets	**281,250**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Cybercom Datamatics Information Solutions Ltd.	281,250	–	–	–	–	–	-	–	–	–
Expenses Incurred by Related Parties	**6,037,865**	**3,507,126**	–	**1,558,041**	–	–	–	–	–	–
Datamatics Global Services Inc.	292,770	1,384,952	–	–	–	–	–	–	–	–
Datamatics Global Services GmbH	4,545,291	1,703,508	–	–	–	–	–	–	–	–
Datamatics Software Services Ltd.	24,000	418,666	–	–	–	–	–	–	–	–
Cybercom Datamatics Information Solutions Ltd.	1,175,804	–	–	1,558,041	–	–	–	–	–	–
Expenses Incurred for Related Parties	**426,371**	**160,244**	**–**	**693,038**	**–**	**–**	**–**	**–**	**–**	**–**
Datamatics Software Services Ltd.	13,939	160,244	–	–	–	–	–	–	–	–
Cybercom Datamatics Information Solutions Ltd.	412,432	–	–	693,038	–	–	–	–	–	–
Managerial Remuneration	–	–	–	–	**22,973,908**	**20,301,229**	–	–	–	–
Dr. L. S. Kanodia	–	–	–	–	5,301,710	4,606,173	–	–	–	–
Mr. Rahul L. Kanodia	–	–	–	–	7,802,360	6,849,097	–	–	–	–
Mr. Vidur V. Bhogilal	–	–	–	–	5,704,457	5,224,361	–	–	–	–
Mr. Sameer Kanodia	–	–	–	–	4,165,381	3,621,598	–	–	–	–
Commission	–	–	–	–	**7,088,514**	**5,291,828**	–	–	–	–
Dr. L. S. Kanodia	–	–	–	–	3,544,257	2,645,914	–	–	–	–
Mr. Rahul L. Kanodia	–	–	–	–	3,544,257	2,645,914	–	–	–	–
Proposed Dividend	–	–	–	–	**7,073,883**	**5,305,412**	**5,379,047**	**4,034,285**	**31,813,742**	**23,860,307**
Salaries	–	–	–	–	–	–	**2,182,800**	**1,951,392**	–	–
Mrs. Priyadarshini Kanodia	–	–	–	–	–	–	2,182,800	1,951,392	–	–
Recruitment Expenses	–	–	–	–	–	–	**502,769**	–	–	–
Datamatics Staffing Services Pvt Ltd.	–	–	–	–	–	–	502,769	–	–	–
Training Expenses	–	–	–	–	–	–	**60,000**	–	–	–
Datamatics Staffing Services Pvt Ltd.	–	–	–	–	–	–	60,000	–	–	–
Interest and Other income	**36,808,331**	**8,944,176**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Datamatics Global Services GmbH	1,289,006	135,418	–	–	–	–	–	–	–	–

Notes forming part of the Financial Statements

(Amount in ₹)

Nature of transaction	Refer to (i) A above		Refer to (i) B above		Refer to (i) C above		Refer to (i) D above		Refer to (i) E above	
	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012	2012-2013	2011-2012
Datamatics Software Services Ltd.	16,240,715	8,808,758	–	–	–	–	–	–	–	–
Datamatics Global Services Inc.	1,367,431	–	–	–	–	–	–	–	–	–
Cybercom Datamatics Information Solutions Ltd.	17,636,001	–	–	–	–	–	–	–	–	–
Cignex Datamatics Technologies Pvt. Ltd.	275,178	–	–	–	–	–	–	–	–	–
Guarantees	**319,420,000**	**146,000,000**	–	–	–	–	–	–	–	–
Loans and Advances Refunded during the year	**81,196,340**	**28,176,547**	–	–	–	–	–	–	–	–
Datamatics Global Services Inc.	–	1,248,231	–	–	–	–	–	–	–	–
Datamatics Software Services Ltd.	76,235,102	17,549,042	–	–	–	–	–	–	–	–
Datamatics Infotech Ltd.	3,874,619	8,490,602	–	–	–	–	–	–	–	–
Datamatics Global Services Pty. Ltd.	1,086,619	888,672	–	–	–	–	–	–	–	–
Loans and Advances Given during the year	**99,824,240**	**110,541,603**	–	–	–	–	–	–	–	–
Datamatics Global Services Inc.	510,891	1,402,184	–	–	–	–	–	–	–	–
Datamatics Software Services Ltd.	94,824,858	102,025,402	–	–	–	–	–	–	–	–
Datamatics Infotech Ltd.	3,627,265	6,033,723	–	–	–	–	–	–	–	–
Datamatics Global Services Pty. Ltd.	861,226	1,080,294	–	–	–	–	–	–	–	–
Investment in Equity Shares	**74,488,000**	**111,384,250**	–	–	–	–	–	–	–	–
Datamatics Global Services GmbH	70,750,000	67,860,000	–	–	–	–	–	–	–	–
Datamatics Global Technologies Ltd.	–	43,524,250	–	–	–	–	–	–	–	–
Cybercom Datamatics Information Solutions Ltd.	3,738,000	–	–	–	–	–	–	–	–	–
Investment in Preference Shares	–	**520,918,250**	–	–	–	–	–	–	–	–
Datamatics Global Technologies Ltd.	–	391,718,250	–	–	–	–	–	–	–	–
Datamatics Software Services Ltd.	–	129,200,000	–	–	–	–	–	–	–	–
Payables	**20,934,765**	**2,094,403**	–	–	**7,088,514**	**5,291,828**	–	–	–	–
Dr. L. S. Kanodia	–	–	–	–	3,544,257	2,645,914	–	–	–	–
Mr. Rahul L. Kanodia	–	–	–	–	3,544,257	2,645,914	–	–	–	–
Datamatics Global Services Inc.	19,249,592	734,258	–	–	–	–	–	–	–	–
Datamatics Infotech Ltd.	1,643,795	–	–	–	–	–	–	–	–	–
Datamatics Global Technologies Ltd.	41,378	1,360,145	–	–	–	–	–	–	–	–
Receivables	**252,237,253**	**211,435,894**	**66,935**	**2,279,739**	–	–	**64,952,691**	**69,347,270**	–	–
Datamatics Global Services GmbH	26,060,110	19,993,026	–	–	–	–	–	–	–	–
Datamatics Software Services Ltd.	207,185,628	173,989,288	–	–	–	–	–	–	–	–
Datamatics Global Technologies GmbH	1,855,515	1,833,640	–	–	–	–	–	–	–	–
Datamatics Infotech Ltd.	–	12,736,113	–	–	–	–	–	–	–	–
Datamatics Global Services Pty. Ltd.	–	2,883,827	–	–	–	–	–	–	–	–
Datamatics Financial Services Ltd.	–	–	66,935	2,279,739	–	–	–	–	–	–
Cybercom Datamatics Information Solutions Ltd.	17,136,000	–	–	–	–	–	–	–	–	–
Datamatics Employee Welfare Trust	–	–	–	–	–	–	64,952,691	69,347,270	–	–

Note:

(a) Related parties are identified by the management and relied upon by the auditors.

Notes forming part of the Financial Statements

36 The Company's significant leasing arrangements are mainly in respect of residential and office premises. The aggregate lease rentals payable on these leasing arrangements are charged as rent under "Other Expenses" in Note 24. These leasing arrangements are for a period not exceeding five years and are in most cases renewable by mutual consent, on mutually agreeable terms.

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

(Amount in ₹)

Particulars	**March 31, 2013**	March 31, 2012
Amount due not later than one year from the balance sheet date	**16,531,080**	16,884,426
Amount due in the period between one year and five years	**14,476,448**	7,084,107
Amount due later than five years	**–**	–

The Following Lease payments are recognized in Profit and Loss Statement:

Lease Rent	**24,915,997**	22,949,560

Note:

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

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

37 Earning Per Share (EPS)

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

		As of 31.03.2013	As of 31.03.2012
(a)	Net Profit / (Loss) after taxation attributable to equity shareholders (in ₹)	**293,739,781**	219,042,017
(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 earning per share (in ₹) (a / b)	**4.98**	3.72
	Diluted earning per share (in ₹) (a / b)	**4.98**	3.72

38 The Company has Outstanding Working Capital Loan / Advance of Euro Nil (P.Y. Euro 100,000) given to its subsidiary Datamatics Global Services GmbH at a interest rate of 1% p.a. above the LIBOR rate; and of ₹ 207,185,628 (P.Y. ₹ 173,989,288) to its subsidiary Datamatics Software Services Limited at a interest rate of 8% p.a. as on March 31, 2013.

39 Employee Stock Option Scheme:

The Datamatics Employee Welfare Trust (Trust) had purchased 1,753,261 shares of Company for granting stock options to the employees. The purchases are financed by loans from the Company. Amount recoverable from Trust (unsecured) as on March 31, 2013 is ₹ 64,952,691 (P.Y. ₹ 69,347,270).

a) Key Employee Stock Option Plan, 2006

Under the Key Employee Stock Option Plan, 2006, 116,000 options were granted at exercise price of ₹ 5 per option and the first vesting period falls during the current F.Y. 2012-13. During the year 6,440 shares have been vested and exercised. Upon vesting and exercise of the stock options, equity shares have been granted to the employees from the shares held by the Trust. During the year 70,000 stock options have lapsed.

Notes forming part of the Financial Statements

b) Key Employee Stock Option Plan, 2007

Under the Key Employee Stock Option Plan, 2007, 300,000 options were granted at exercise price of ₹ 5 per option and the first vesting period falls during current F.Y. 2012-13. During the year 20,960 shares have been vested and exercised. Upon vesting and exercise of the stock options, equity shares have been granted to the employees from the shares held by the Trust. During the year 68,000 stock options have lapsed.

During the year, an amount of ₹ 1,999,080 (P.Y. ₹ 2,630,415) has been expensed out considering the proportionate vesting period, which has been included in Salaries, Wages, Bonus & Allowances and the balance has been disclosed under Reserves and Surplus as reduction from Employee Stock Option Outstanding.

40 During the year, Company has invested:

(i) EUR 1,000,000 in 1,000,000 fully paid equity shares of Datamatics Global Services GmbH, incorporated in Germany.

(ii) ₹ 3,738,000 in 8,400 fully paid equity shares of Cybercom Datamatics Information Solutions Limited.

41 Portfolio Management services are provided by the Portfolio Manager – Reliance Capital Asset Management Ltd. (RCAML) registered with SEBI vide registration No.INP000000423 and Trust Investment Advisors Pvt. Ltd. (TIAPL) registered with SEBI vide registration No. INP000001843. The portfolio Manager is engaged in investing funds in accordance with SEBI (Portfolio Managers) Regulations, 1993 of its client – Datamatics Global Services Ltd. in securities and providing portfolio management services.

RCAML and TIAPL have been appointed as the Portfolio Manager for managing the investments of its funds on a discretionary basis to avail of investment advisory and portfolio management services for the purpose of investment to be made in securities. RCAML also holds the Power of Attorney to hold investments in its name for investments made on behalf of Company. Investments made by RCAML under the Portfolio Management Services are made in a pool account and therefore are not held in the name of the Company.

42 The Company has ₹ 208,204,849 (P.Y. ₹ 196,919,433) as outstanding Loans and Advances (Refer note 44 below) and ₹ 997,376,964 (P.Y. ₹ 928,338,219) as investment in five of it's 100% Subsidiaries at the year end. The net worth of these subsidiaries has declined. The Company has assured Financial Support. These investments are for long term and are of strategic nature. As the management is confident of turning around the subsidiaries in the near future provision for dimuniton in the value, if at all required, is not made.

43 Trade Receivables include the following dues from the subsidiaries:

(Amount in ₹)

Particulars	Balance Outstanding as on 31.03.2013	Maximum amount outstanding during the year	Balance Outstanding as on 31.03.2012	Maximum amount outstanding during the year
Datamatics Global Services Inc.	–	**52,428,740**	–	75,907,094
Datamatics Global Services GmbH	**27,182,293**	**28,269,822**	13,272,606	27,766,531
Datamatics Global Services Pty Ltd.	–	**2,661,689**	2,661,689	2,661,689
Datamatics Global Technologies GmbH	**1,855,515**	**2,334,987**	1,833,640	2,219,083
Datamatics Infotech Ltd.	–	**14,766,379**	8,371,831	8,371,831
Datamatics Global Technologies Ltd.	**1,409,942**	**1,409,942**	–	–
Cignex Datamatics Technologies Pvt. Ltd.	–	**309,190**	–	–
Cybercom Datamatics Information Solutions Ltd.	–	**514,984**	–	–
TOTAL	**30,447,750**	**102,695,733**	26,139,766	116,926,228

Notes forming part of the Financial Statements

44 Loans and advances to wholly owned Subsidiaries consist of following:

(Amount in ₹)

Particulars	Balance Outstanding as on 31.03.2013	Maximum amount outstanding during the year	Balance Outstanding as on 31.03.2012	Maximum amount outstanding during the year
Datamatics Global Services Inc. *	**1,019,221**	**1,028,163**	459,209	1,348,730
Datamatics Global Services GmbH	**–**	**8,824,003**	8,453,708	8,615,964
Datamatics Software Services Ltd.	**207,185,628**	**227,494,327**	173,989,288	179,304,640
Datamatics Infotech Ltd. *	**498,994**	**16,535,956**	14,017,228	17,397,597
Datamatics Global Services Pty Ltd.*	**–**	**772,755**	222,138	897,505
Datamatics Global Technologies Ltd.*	**291,313**	**298,452**	273,013	277,613
TOTAL	**208,995,156**	**254,953,656**	197,414,584	207,842,049

* Interest free advances.

45 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.

46 As per Companies (Accounting Standards) Rules 2006 issued by the Central Government, in consultation with National Advisory Committee on Accounting Standards ('NACAS') and the relevant provisions of the Companies Act, 1956, to the extent applicable, the carrying value of the asset has been reviewed for impairment of assets and there is no impairment of assets.

47 Prior period comparative:
Previous year figures have been appropriately reclassified / recast to confirm to the current year's presentation.

48 Figures are rounded off to the nearest of rupee.

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

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

Arati Parmar
Partner
Membership No. 102888

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : London
Dated : May 23, 2013

Place : Mumbai
Dated : May 23, 2013

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2013

	Particulars	2013 ₹		2012 ₹	
A.	**CASH FLOW FROM OPERATING ACTIVITIES:**				
	Net Profit before Tax		353,542,406		276,467,361
	Adjusted for:				
	Depreciation and Amortization	68,859,915		60,939,917	
	Finance Costs	25,785,326		6,563,112	
	Loss on sale of Fixed Assets	378,081		808,428	
	Interest Income from Fixed Deposits and Others	(47,852,469)		(51,422,433)	
	Dividend Received	(58,457,081)		(5,442,122)	
	Profit on sale of Investments	(26,968,712)		(33,635,669)	
	Employee Stock Option Expenses	1,999,080		2,630,415	
	Exchange difference on translation of foreign currency cash and cash equivalents	2,012,354	(34,243,504)	(486,171)	(20,044,523)
	Operating Profit before Working Capital Changes		319,298,902		256,422,838
	Adjusted for:				
	(Increase) / Decrease in Sundry Debtors	(67,523,614)		51,403,061	
	(Increase) / Decrease in Loans and Advances	(51,602,961)		108,544,005	
	Increase / (Decrease) in Current Liabilities	58,637,192		(151,017)	
			(60,489,385)		159,796,049
	Cash Generated from Operations		258,809,517		416,218,887
	Taxes Paid (Net of tax refund received)		61,619,003		59,184,195
	Net Cash From Operating Activities		197,190,514		357,034,692
B.	**CASH FLOW FROM INVESTING ACTIVITIES:**				
	Purchase of Fixed Assets	(124,279,490)		(329,051,643)	
	Purchase of Investments	(88,128,277)		(252,613,281)	
	Interest Income from Fixed Deposits and Others	47,852,469		51,422,433	
	Profit on sale of Investment	26,968,712		33,635,669	
	Dividend Received	58,457,081		5,442,122	
	Net Cash from Investing Activities		(79,129,505)		(491,164,700)
C.	**CASH FLOW FROM FINANCING ACTIVITIES:**				
	(Repayment) / Proceeds from Long Term Borrowings	(30,518,767)		199,450,441	
	Finance Costs	(25,785,326)		(6,563,112)	
	Final Equity Dividend Paid	(44,212,003)		(44,212,003)	
	Tax paid on Equity Dividend	(1,612,517)		(7,172,292)	
	Net Cash Flow from Financing Activities		(102,128,613)		141,503,034
	Net Increase in Cash and Cash Equivalent during the year		15,932,396		7,373,026
	Cash and Cash equivalents as at beginning of the year		24,967,910		17,108,712
	Exchange difference on translation of foreign currency cash and cash equivalents		(2,012,354)		486,171
	Cash and Cash equivalents as at the end of the year		38,887,951		24,967,910
	Earmarked balances with banks		13,379,592		3,879,698
	Cash and Bank balances at the end of the year		52,267,543		28,847,608

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

For and on behalf of the Board

Dr. Lalit S. Kanodia
Chairman

Arati Parmar
Partner
Membership No. 102888

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Divya Kumat
Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : London
Dated : May 23, 2013

Place : Mumbai
Dated : May 23, 2013

Balance Sheet Abstract and Company's General Business Profile

I	**Registration Details**	
	Registration No.	45205
	State Code	11
	Balance Sheet Date	March 31, 2013
II	**Capital Raised during the year**	
	Public Issue (including premium)	Nil
	Rights Issue	Nil
	Bonus Issue	Nil
	Private Placement on Preferential allotment basis	Nil
III	**Position of Mobilisation and Deployment of Funds**	
	Total Liabilities	4,117,799,421
	Total Assets	4,117,799,421
	a. Equity and Liabilities	
	Paid up Capital	294,746,685
	Reserves and Surplus	3,289,504,843
	Non-Current Liabilities	69,364,200
	Current Liabilities	464,183,693
	b. Assets	
	Net Fixed Assets	1,186,571,769
	Other Non-Current Assets	1,979,809,260
	Current Assets	951,418,392
IV	**Performance of the Company**	
	Turnover	1,860,862,925
	Other Income	137,291,041
	Total Expenditure	1,644,611,560
	Profit Before Tax	353,542,406
	Profit After Tax	293,739,781
	Earning Per Share	
	Basic	4.98
	Diluted	4.98
	Dividend %	20%
V	**Generic Names of Two Principal Products of the Company (as per monetary terms)**	
	Item Code No. (ITC) Code	8524.9
	Description	Computer Software

For and on behalf of the Board

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Chairman

R. K. Saraswat
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Vice President - Legal
& Company Secretary

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Place : Mumbai
Dated : May 23, 2013

Statement Pursuant to Section 212 of the Companies Act, 1956 Relating to Subsidiary Companies

Name of the Subsidiary Company	Datamatics Global Services Inc	Datamatics Technologies UK Limited	Datamatics Global Services GmbH	Datamatics Software Services Ltd.	Datamatics Infotech Ltd.	Datamatics Global Services Pty Ltd.	Datamatics Global Technologies Ltd.	Datamatics Global Technologies AG
1 Financial Year of the Company	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013	31-03-2013
2 Shares of the Subsidiary Company held by Datamatics Global Services Limited								
a. Number	1,000 Common Stock	300,001 Ordinary Shares	Nil	218,605 Equity shares	20,000 Ordinary Shares	50,000 Equity shares	50,000 Ordinary Shares	1,000,000 Ordinary Shares
b. Extent of Holding	100%	100%	100%	100%	100%	100%	100%	100%
3 The Net aggregate amount of the subsidiaries Profit / (Loss) so far as it concerns the members of the Holding Company and is not dealt within the Company accounts.								
a. For the financial year / period since it became subisidiary	USD 41,312	(GBP 43)	(EUR 716,095)	INR 9,724,020	GBP 204,372	(AUD 42,995)	(USD 512,862)	(CHF 11,859)
b. For the previous financial years of subsidiaries since it became the Holding Company's Subsidiary	(USD 4,264,010)	(GBP 299,034)	(EUR 2,023,520)	(INR 40,190,402)	(GBP 30,978)	AUD 64,470	(USD 914,419)	(CHF 65,541)
4 The Net aggregate amount of the subsidiaries Profit / (Loss) so far as it concerns the members of the Holding Company and is dealt within the Company accounts.								
a. For the financial year / period since it became subisidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b. For the previous financial years of Subsidiaries since it became the Holding Company's Subsidiary	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: Section 212(5) of the Companies Act, 1956 is not applicable as the accounting year of the Holding Company and Subsidiaries are the same.

For and on behalf of the Board of Directors

Dr. Lalit S. Kanodia
Chairman

R. K. Saraswat
Director

Rahul L. Kanodia
Vice Chairman & CEO

Vidur V. Bhogilal
Executive Director
& Chief Financial Officer

Divya Kumat
Vice President - Legal &
Company Secretary

Place : Mumbai
Dated : May 23, 2013

Financial Details of the Subsidiary Companies for the Year Ended March 31, 2013

Particulars	Datamatics Global Services Inc (USD)	Datamatics Global Services GmbH (EUR)	Datamatics Technologies UK Ltd. (GBP)	Datamatics Software Services Ltd. (INR)	Datamatics Infotech Ltd. (GBP)	Datamatics Global Services Pty Ltd. (AUD)	Datamatics Global Technologies Ltd. (USD)	Datamatics Global Technologies AG (CHF)
Closing Exchange rate against Indian Rupee as on March 31, 2013	54.28	69.51	82.09	–	82.09	56.62	54.28	56.97
(a) Paid up capital	1,512,718,573	212,005,500	24,627,082	151,386,050	1,641,800	2,831,000	610,650,000	2,848,500
(b) Reserves	(1,359,806,195)	(190,430,559)	(24,552,101)	(57,279,132)	26,264,512	(650,845)	(75,291,158)	(4,409,538)
(c) Total Assets	257,270,467	157,693,718	74,981	373,020,192	81,208,197	2,671,298	537,568,670	952,309
(d) Total Liability	104,358,089	136,118,777	–	278,913,274	53,301,885	491,143	2,209,827	2,513,347
(e) Details of Investment (except in case of investment in the subsidiaries)	321,929	–	–	–	–	–	–	–
(f) Turnover	1,007,436,757	230,338,822	–	259,828,908	239,466,962	10,164,665	1,809,463	–
(g) Profit / (Loss) before taxation	2,272,904	(49,764,818)	(3,560)	11,350,783	16,174,910	(2,434,314)	(27,838,123)	(675,612)
(h) Provision for taxation	30,505	10,876	–	1,626,766	(601,869)	–	–	–
(i) Profit / (Loss) after taxation	2,242,399	(49,775,695)	(3,560)	9,724,017	16,776,779	(2,434,314)	(27,838,123)	(675,612)
(j) Proposed dividend	–	–	–	–	–	–	–	–

For and on behalf of the Board of Directors

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Chairman

R. K. Saraswat
Director

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Executive Director
& Chief Financial Officer

Divya Kumat
Vice President - Legal &
Company Secretary

Place : Mumbai
Dated : May 23, 2013

The Year at a Glance

(₹ in Million)

	Consolidated		
	Current Year	Previous Year	Growth (%)
For the year			
Operating Revenue	5,500.04	4,418.92	24.47
Total revenue	5,589.65	4,519.04	23.69
Operating Profit	1,052.99	905.16	16.33
Operating Profit % Revenue	19.15	20.48	–
Profit before tax	412.70	375.27	9.97
PBT as % to Total revenue	7.38	8.30	–
PAT	314.56	282.54	11.33
PAT as % to Total revenue	5.63	6.25	–
Earnings per share			
Basic	4.55	4.53	0.37
Diluted	4.40	4.38	0.37
Dividend per share	1.00	0.75	–
Dividend amount including tax	66.05	51.38	–
Average net worth	2,866.36	2629.22	9.02
PAT % to average NW	10.97	10.75	–
At the end of the year			
Total assets	4,374.89	3925.04	11.46
Fixed assets (net)	1,829.17	1681.81	8.76
Cash and cash equivalents	238.90	263.97	(9.50)
Total debt	390.04	470.97	–
Net worth	2,998.58	2734.14	9.67
Equity	294.75	294.75	–

NOTES

Dr. Lalit S. Kanodia, Chairman received the "Most valuable IT software Company in India" Award at the 4th Annual India Leadership Conclave & Indian Affairs Business Leadership Awards, 2013 held at Hotel Leela, Mumbai.

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