

Report on Corporate Governance

I. Company's Philosophy on Corporate Governance :

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

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

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

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

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

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

II. Board of Directors :

a. Size and Composition of the Board:

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

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

As on March 31, 2019, the Board of Directors comprises of eight eminent persons of proven competence and integrity. The names and category of Directors on Board of the Company, name of the listed entities in which the Director is a Director and number of Directorships / Committee Membership(s) / Chairmanship(s) held by them in other Companies as on March 31, 2019 is summarized as under:

Name	Category	Directorship(s)/Committee Membership(s)/Chairmanship(s)			Directorship in other listed entities
		Directorship(s) (see note no.1)	Committee Membership(s) (see note no. 2)	Chairmanship(s)	
Executive Directors					
Dr. Lalit S. Kanodia Chairman & Whole -Time Director	Promoter Non-Independent	6	--	--	RPG Life Sciences Limited, Independent Director
Mr. Rahul L. Kanodia Vice Chairman & CEO	Promoter Group Non-Independent	6	2	--	Safari Industries (India) Limited, Independent Director
Mr. Sameer L. Kanodia Whole-Time Director#	Promoter Group Non-Independent	4	--	1	NA
Non-Executive Directors					
Mrs. Asha L. Kanodia	Promoter & Non-Independent	--	--	--	NA
Mr. R. K. Saraswat	Independent	4	1	5	• Priya International Limited, Independent Director; • Vinati Organics Limited, Independent Director; • Priya Limited, Independent Director.
Mr. Shahzaad S. Dalal	Independent	2	2	--	NA
Mr. Dilip D. Dandekar	Independent	7	2	--	• Kokuyo Camlin Limited; • Camlin Fine Sciences Limited
Mr. Vinay M. Aggarwal	Independent	--	2	--	NA

Mr. Sameer L. Kanodia has resigned from the position of Whole-Time Director of the Company w.e.f. May 09, 2019 and his designation has been changed from Whole-Time Director to Non-Executive Director of the Company.

Notes:

- Directorship excludes directorship on the Board of Private Limited Companies, Foreign Companies, Alternate directorship, Companies under Section 8 of the Act and Datamatics Global Services Limited;
- This includes the Chairmanships/Memberships only in the Audit Committee and Stakeholders Relationship Committee of all listed and unlisted companies.

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

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

b. Board Meeting and Procedures:

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

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

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

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

During the financial year 2018-19, 6 (Six) Board Meetings were held on **April 27, 2018; May 29, 2018; August 14, 2018; November 12, 2018; December 14, 2018 and January 31, 2019**. With reference to the Regulation 17 of the SEBI Listing Regulations, the gap between the two Board Meetings has not exceeded One Hundred and Twenty Days.

The attendance of each Director at the Board Meetings for the financial year 2018-19 and the last Annual General Meeting is detailed as under:

Name of the Director	Board Meetings		Attendance at the last Annual General Meeting held on August 14, 2018
	Held	Attended	
Dr. Lalit S. Kanodia	6	6	Yes
Mr. Rahul L. Kanodia	6	6	Yes
Mr. Sameer L. Kanodia	6	6	Yes
Mr. R. K. Saraswat	6	6	Yes
Mr. Shahzaad S. Dalal	6	4	Yes
Mr. Dilip D. Dandekar	6	5	Yes
Mrs. Asha L. Kanodia	6	6	Yes
Mr. Vinay M. Aggarwal	6	6	Yes

c. Disclosure of relationships between Directors inter se:

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

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

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

e. Familiarization Program for Independent Directors:

All the Independent Directors inducted on the Board are given an orientation programs about Company's business

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

f. Key Board qualifications, Expertise and Attributes

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

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

- General Management and Business Operations
- Thought Leadership
- CEO/Senior Management Experience
- IT Industry
- Public Policy/Governmental Regulations
- Accounting/Finance/Legal
- Risk Management
- Human Resources Management
- Strategy/M&A/Restructuring
- Corporate Governance
- Business Development/Sales/Marketing
- International Business

- Major accounting entries based upon exercise of judgment by the management;
- Ensuring compliance with the Accounting Standards;
- Significant issues arising out of audit;
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interest of the Company at large;
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 314 of the Companies Act, 2013;
- Modified opinion(s) in the draft audit report;
- Compliance with the laws, rules, regulations and notification issued by the Stock Exchange and other regulatory authorities relating to the preparation and disclosure of financial statements.

III. Committees of the Board:

Currently, the Board has the following four committees:

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

Audit Committee

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

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

Description of Terms of Reference:

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

- (i) Review of financial statements before they are submitted to the Board for adoption;
- (ii) Recommending the appointment or removal of statutory auditors, fixation of audit fees, terms of auditors, and approval for payment for other services provided by the auditors;
- (iii) Review of quarterly, half yearly and yearly financial statements and audit report before they are presented to the Board, focusing inter-alia upon:
 - Accounting Policies and any changes thereto;
- (iv) Review and monitor auditor's independence and performance and effectiveness of the audit process;
- (v) Approve any subsequent modification of the transactions with the Related Parties;
- (vi) Scrutiny of inter corporate loans and investments;
- (vii) Valuation of undertaking and assets;
- (viii) Review with the management, performance of the statutory and internal auditors and the adequacy of internal control systems;
- (ix) Discussion with the Statutory Auditors before commencement of the audit, nature and scope of audit, as well as post audit discussion to ascertain any area of concern;
- (x) Review of the Company's financial and risk management systems;
- (xi) Investigating the reasons for substantial defaults, if any, in the payment to the depositors, shareholders. (In case of non-payment of declared dividends), and creditors;
- (xii) Audit Committee to call for comments of the auditors about internal control systems, scope of audit including the observations of the auditors and review of the financial statements before submission to the Board;
- (xiii) Adequate safeguards against victimization of person who use Vigil Mechanism and make provision for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases;
- (xiv) Authority to investigate into any matter in relation to the items specified above or referred to it by the board and for this purpose the Audit Committee to have power to obtain professional advice from external sources and have full access to information contained in the records of the company;

- (xv) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate;
- (xvi) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower;
- (xvii) Consider any other matter as may be requested by the Board;
- (xviii) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (xix) Perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition, Name of Members and Chairman:

The Audit Committee comprises of 3 (three) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman), Mr. Shahzaad S. Dalal, and Mr. Vinay M. Aggarwal and 1 (One) Executive Director viz. Mr. Rahul L. Kanodia.

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

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

Meetings and Attendance during the year:

During the year under review, the Committee met 6 (Six) times on **April 27, 2018; May 29, 2018; August 14, 2018; November 12, 2018; December 14, 2018 and January 31, 2019** and the gap between the two meetings did not exceed one hundred and twenty days. The Chairman of the Audit Committee attended last AGM held on August 14, 2018.

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	6	6
Mr. Shahzaad S. Dalal	Independent	Member	6	4
Mr. Vinay M. Aggarwal*	Independent	Member	6	6
Mr. Rahul L. Kanodia*	Non-Independent	Member	6	6

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

Nomination and Remuneration Committee (N&RC)

The N&RC is constituted in line with the provisions of Section 178 of the Act and Regulation 19 of the SEBI Listing Regulations. The role of N&RC and the information reviewed by it is as per Part D of Schedule II of SEBI Listing Regulations.

Description of Terms of Reference:

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

- (i) Periodically reviewing the size and composition of the Board to ensure that it is structured to make appropriate decisions, with a variety of perspectives and skills;
- (ii) Formulation of the criteria for determining such as qualifications, positive attributes and independence for appointment of persons as Directors;
- (iii) Formulation of criteria for evaluation of performance of Independent Directors and Board of Directors;
- (iv) Devising a policy on diversity of Board of Directors;
- (v) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board of Directors their appointment and removal;
- (vi) Recommend to the Board all matters relating to the compensation (including annual increments, incentives and revision in salary) payable by the Company to the Senior Management;
- (vii) To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees. While formulating the policy, the Committee shall ensure that—
 - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
 - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
- (viii) Consider any other matter as may be requested by the Board;
- (ix) Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- (x) Perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition, Name of Members and Chairman:

The N&RC comprises of 4 (Four) members i.e. Mr. R. K. Saraswat (Chairman, being Non-Executive Independent Director), 1(one) Executive Director Dr. Lalit S. Kanodia and 2(two) Non-Executive Directors viz., Mr. Shahzaad S. Dalal and Mr. Vinay M. Aggarwal.

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

Meetings and Attendance during the year:

During the year under review, the Committee met 2 (Two) times on **May 29, 2018 and January 31, 2019**.

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat*	Independent	Chairman	2	2
Dr. Lalit S. Kanodia	Non-Independent	Member	2	2
Mr. Shahzaad S. Dalal	Independent	Member	2	1
Mr. Vinay M. Aggarwal#	Independent	Member	2	2

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

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

Performance evaluation criteria for Independent Directors:

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

Stakeholders Relationship Committee

The Stakeholders Relationship Committee of the Company is constituted in accordance with the provisions of Section 178 of the Act and Regulation 20 of SEBI Listing Regulations. The role of the Stakeholders Relationship Committee is as specified in Part D of Schedule II of SEBI Listing Regulations.

Description of Terms of Reference:

The terms of reference of the Stakeholders Relationship Committee are as under:

- Meet regularly to consider requests of share transfer/transmission/split/consolidation/duplicate share certificate etc.
- Look 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.
- Oversee performance of the Registrars and Transfer Agents of the Company and looks into matters which can facilitate better investor services and relations.
- Consider and resolve the grievances of the security holders including the shareholders, debenture-holders, deposit holders etc. of the Company.

- Resolve the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
- Review measures taken for effective exercise of voting rights by shareholders;
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Consider any other matter as may be requested by the Board;
- Any other terms of references as may be included from time to time as per Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- Perform such other functions as may be necessary or appropriate for the performance of its duties.

Composition, Name of Members and Chairman:

The Stakeholders Committee comprises of 2 (two) Non-Executive Directors viz. Mr. R. K. Saraswat (Chairman) and Mr. Vinay Aggarwal and 1 (one) Executive Director viz Mr. Rahul L. Kanodia.

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

Meetings and Attendance during the year:

During the year under review, the Committee met 5 (Five) times on **May 29, 2018; July 23, 2018; August 14, 2018; December 14, 2018 and January 31, 2019**.

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

Name	Category	Designation	No. of Meetings	
			Held	Attended
Mr. R. K. Saraswat	Independent	Chairman	5	5
Mr. Vinay M. Aggarwal*	Independent	Member	5	5
Mr. Rahul L. Kanodia	Executive Director	Member	5	5

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

Name, Designation and Address of Compliance Officer:

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

The details of shareholders grievances received and resolved during FY 2018 -19 is given below:

Sr. No.	Nature of Complaints	Received	Resolved
1.	Non-receipt of Dividend	23	23
2.	Non-receipt of Annual Reports/Notices	1	1
5.	Others	7	7
Total		31	31

No shareholders grievances are pending as on the end of financial year.

Corporate Social Responsibility Committee

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

Description of terms of reference:

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

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

Composition, Name of Members and Chairman:

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

Meetings and Attendance during the year:

During the year under review, 1 (One) meeting was held on **May 29, 2018**.

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

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

IV. Remuneration of Directors:

A. Remuneration Policy:

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

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

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

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

C. Criteria for making payment to Non-Executive Directors

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

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

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

The details of remuneration paid to the Directors during the financial year 2018-19 is given in Form MGT-9 which is annexed to the Board's report:

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

- The remuneration to the Executive Directors is determined by N&RC and the same is recommended to the Board for their approval. The said remuneration is subject to approval of the shareholders and Central Government, if required. The details of the said remuneration is given in Form MGT -9 which is annexed to the Board's Report;
- Performance linked incentives is granted to Mr. Sameer L. Kanodia. The assessment of performance is done by N&RC on the basis of desired results of the projects handled by Mr. Sameer L. Kanodia vis-a- vis overall performance of the Company;
- Annual increment of the Executive Directors is determined on the basis of the recommendations of N&RC which is within the overall limit for remuneration as approved by the shareholders.

2. Terms of Appointment of Executive Directors:

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

V. Independent Directors Meeting:

Pursuant to the provisions of Schedule IV to the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors of the Company was

convened on January 31, 2019, without the presence of Non-Independent Directors and Members of Management, to consider, inter alia, the following: (a) review the performance of Non-independent Directors and the Board as a whole; (b) review the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-executive Directors; (c) assess the quality, quantity and timeliness of flow of information between the Company's management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

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

VI. General Body Meetings:

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

Year	Date of Meeting	Time	Place of Meeting	Details of Special Resolution(s) passed
2015-16	September 15, 2016	11.00 a.m.	Indian Merchants' Chamber Hall,	No Special Resolution passed.
2016-17	September 14, 2017	11.00 a.m.	IMC Building, IMC Marg,	No Special Resolution passed.
2017-18	August 14, 2018	4.00 p.m.	Churchgate, Mumbai - 400 020.	No Special Resolution passed.

B. Extraordinary General Meeting:

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

C. Postal Ballot:

- During the year under review, no resolution was passed through the postal ballot.
- Approval of the Shareholders was sought through postal ballot for approving the Composite Scheme of Arrangement between Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and the Company. Mr. Ashish Bhatt, practicing Company Secretary was appointed as Scrutinizer to scrutinize the postal ballot and remote voting process in a fair and transparent manner. The Voting details and consolidated scrutinizer report are available on the website of the Company and Stock Exchanges.
- None of the businesses proposed to be transacted at the ensuing Annual General Meeting require passing a resolution through Postal Ballot.

VII. Means of Communication:

- **Quarterly Results:** The quarterly/half yearly/annual financial results are published in the English daily 'Financial Express' and in a vernacular language newspaper 'Mumbai Lakshadweep'. The financial results and the official news releases are also displayed on the Company's website: www.datamatics.com.
- **Website:** The Company's website: www.datamatics.com contains a separate section 'Investor' where shareholders' information is available. The Company's financial results and Annual Reports are also available on the Company's website in the downloadable form.

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

VIII. Management Discussion and Analysis:

The Management Discussion and Analysis Report for the financial year 2018-19 as per the requirement of the SEBI Listing Regulations, is given in a separate section forming part of the Annual Report.

IX. Website:

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

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

X. General Shareholder Information**a) 31st Annual General Meeting:**

Day : Tuesday
Date : August 13, 2019
Time : 2.00 p.m.
Venue : Walchand Hirachand Hall, IMC Building, IMC Marg, Churchgate, Mumbai – 400020.

b) Financial Year:

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

c) Date of Book Closure:

The books will remain closed from August 07, 2019 to August 13, 2019.

d) Dividend Payment Date:

The Board of Directors of your Company have recommended final dividend of ₹ 1/- [20%] per share for the financial year 2018-19. Date of payment of the dividend would be within 30 days from the date of AGM.

e) Listing on Stock Exchange:

The equity shares of the Company are listed at:

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

f) Annual Listing Fees and Custodial Fees:

The listing fees and custodial fees for the financial year 2018-19 have been paid by your Company within the stipulated time.

g) Stock Code and Other related Information:

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

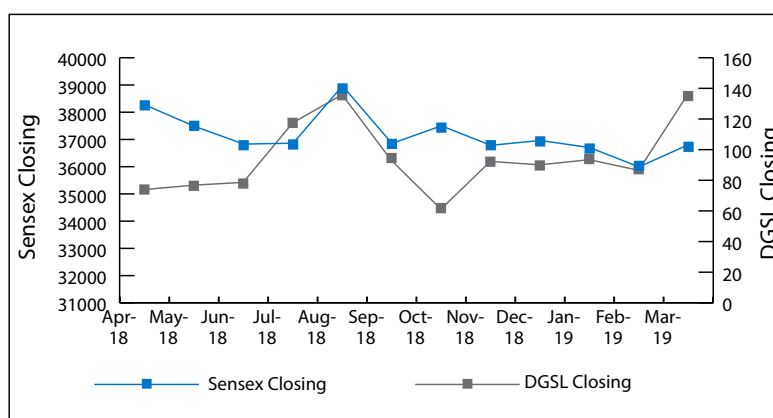
h) Market Price Data:

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

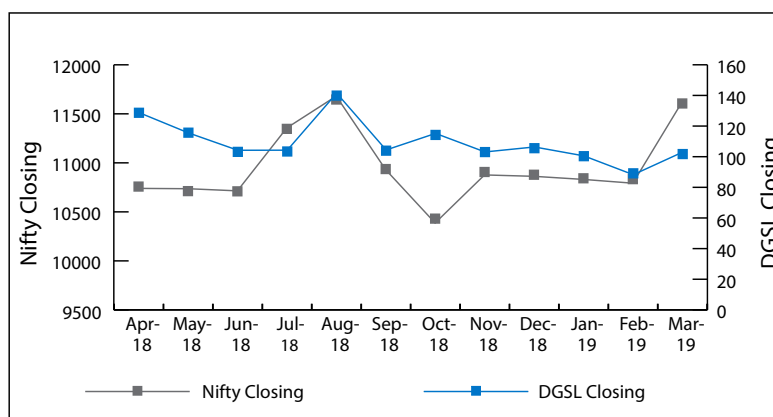
Month	BSE Limited		National Stock Exchange of India Limited	
	High	Low	High	Low
April – 2018	139.00	103.90	139.50	102.50
May – 2018	133.90	111.15	130.90	113.50
June – 2018	116.65	95.70	116.80	96.60
July – 2018	109.90	94.00	109.80	98.15
August – 2018	145.00	99.25	144.80	99.15
September – 2018	154.40	102.85	154.55	102.60
October – 2018	128.95	97.25	124.90	96.95
November – 2018	121.65	101.45	121.90	101.00
December – 2018	115.30	99.20	115.30	99.00
January – 2019	119.75	99.00	119.60	99.65
February – 2019	102.40	82.00	101.50	81.90
March – 2019	111.15	88.00	111.90	89.00

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

Datamatics Global Services Limited - Sensex



Datamatics Global Services Limited - Nifty



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

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

l) **Shareholding as on March 31, 2019:**
 Distribution of equity shareholding as on March 31, 2019:

Sr. No.	Shareholding No. of Shares		Shares	% To Capital	No. of Holders	% to No. of Holders
	From	To				
1.	1	1,000	33,82,262	5.74	19,312	92.35
2.	1,001	2,000	11,23,908	1.91	725	3.47
3.	2,001	4,000	11,49,062	1.95	394	1.88
4.	4,001	6,000	9,33,406	1.58	188	0.90
5.	6,001	8,000	4,64,198	0.79	66	0.32
6.	8,001	10,000	5,73,099	0.97	61	0.29
7.	10,001	20,000	12,18,440	2.07	84	0.40
8.	20,001	99,999,999,999	5,01,04,962	84.99	82	0.39
	Total		58,949,337	100.00	20,912	100.00

Categories of equity shareholders as on March 31, 2019:

Category	No. of shares	% of Shareholding
Promoters & Promoter Group	4,32,98,431	73.45
Foreign Portfolio Investor	142,100	0.24
Banks and Financial Institution	79,622	0.14
Individuals	1,26,36,083	21.43
NBFC registered with SEBI	2,379	00.00
NRI	626,640	1.06
Trust	65	0.00
Bodies Corporate	20,65,758	3.50
Clearing Member	33,980	0.06
Foreign Nationals	18,000	0.03
IEPF	46,279	0.09
Total	58,949,337	100.00

m) Unpaid/Unclaimed Dividend:

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

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

Year of Declaration	Date of Declaration	Interim/Final	Rate of Dividend (In Rs.)	Date of Transfer to IEPF
2011-12	September 26, 2012	Final	₹ 0.75 per share	October 25, 2019
2012-13	September 24, 2013	Final	₹ 1.00 per share	October 23, 2020
2013-14	September 23, 2014	Final	₹ 1.25 per share	October 22, 2021
2014-15	September 23, 2014	Interim	₹ 0.35 per share	October 22, 2021
2014-15	August 28, 2015	Final	₹ 0.65 per share	September 27, 2022
2015-16	March 21, 2016	Interim	₹ 0.50 per share	April 20, 2023
2015-16	September 15, 2016	Final	₹ 0.25 per share	October 14, 2023
2016-17	September 14, 2017	Final	₹ 0.75 per share	October 13, 2024
2017-18	March 21, 2018	Interim	₹ 0.50 per share	April 20, 2025
2017-18	August 14, 2018	Final	₹ 0.25 per share	September 13, 2026

Note : An amount of ₹ 1,86,440/- lying in the Unpaid Dividend Account for the Financial Year 2010-11, has been transferred to IEPF account on October 31, 2018, the details of which is available on the website of the Company.

In respect of the dividend transferred under Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, shareholders will be entitled to claim the dividend transferred from IEPF Authority, in accordance with such procedure and on submission of such documents as may be prescribed.

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

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

During the financial year, the Company had transferred 7,653 shares to IEPF. Details of these shares are available on the Company's website www.datamatics.com.

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

o) Updation of KYC details

As per SEBI norms, efforts are underway to update Permanent Account Number (PAN) and bank account details of shareholder(s) in the members' register, communications have been sent by the Company to eligible shareholders in this regard. Shareholders are requested to update these details at the earliest.

p) Dematerialization of shares and liquidity:

The shares of the Company are in compulsory demat segment and are available for trading in the depository systems of both the Central Depository Services (India) Limited [CDSL] and National Securities Depository Limited [NSDL]. The International Security Identification Number [ISIN] is an identification number of traded shares. This number is to be quoted in each transaction relating to the dematerialized shares of the Company. The ISIN allotted to the Company is INE365B01017. As on March 31, 2019, 5,88,56,480 Equity Shares out of 58,949,337 Equity Shares of the Company, constituting 99.84% of the Company's paid-up capital are

held in the dematerialized form. Share dematerialized upto March 31, 2019 are as under.

Particulars	As on March 31, 2019	
	No. of Shares	%
Shares in Demat form	588,56,480	99.84
- NSDL	1,94,93,743	33.07
- CDSL	3,93,62,737	66.77
Shares in Physical Form	92,857	0.16
Total	58,949,337	100

q) ADRs/GDRs/Warrants:

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

s) Office Locations:

INDIA

Registered Office:

Knowledge Centre, Plot 58, Street No.17, MIDC, Andheri (E), Mumbai 400 093.

Unit No. 110, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.

Unit No. 155, SDF V, SEEPZ-SEZ, Andheri (E), Mumbai - 400 096.

Unit No. 117-120, SDF IV, SEEPZ-SEZ, Andheri (E), Mumbai 400 096.

Unit No. 105, Multistoried Building, 1st Floor, SEEPZ – SEZ, Andheri (E), Mumbai - 400 096.

74/II, "C" Cross Road, Opp. Gate No.2, MIDC, SEEPZ, Andheri East, Mumbai – 400093.

6th floor, Eucharistic Congress Building No. III, C.S. No. 445, Ward A 885 (1A-1B) 5 Convent Street, Colaba, Mumbai 400001

Suyojit Datamatics Knowledge Center, Suyojit I.T. Park, Survey No. 804, Unit No. S1-S3, Mumbai Agra Road, Nashik - 422 002.

RR Towers III, 3rd floor, Thiru-Vi-Ka Industrial Estate, Guindy, Chennai - 600 032.

Unit No. A-4 and A-3, 2nd Floor, Tower C, Centrum Plaza, Golf Course Road, Sector – 53, Gurgaon.

"RJ Grand" R.S. No. 181/5, ECR Road Saram Revenue Village, Lawspet, Puducherry – 605008.

Cessna Business Park, Embassy Singnet Building, 4th Floor, Sy No.13/1, Kadubeesanahalli, Varthur Hobli, Outer Ring Road, Bangalore – 560103.

A-101, 102 & 124, Siddhivinayak Towers, Makarba Ahmedabad - 380051, Gujarat.

12th Floor, Phase II, Ascendas International Tech Park, Taramani Road Chennai - 600113, Tamil Nadu.

No. 10, Vazhudavour Road, Pettayan Chattram, Thattanchavadi, Puducherry.

Office No. 607, A-40, Sector 62, Noida, Uttar Pradesh, 201309, India.

r) Commodity Price Risk or Foreign Exchange Risk and Hedging Activities:

The Company is exposed to foreign currency fluctuation risk due to the constant variation of the Indian Rupee. The Board of Directors have approved Forex Risk Management Policy to keep the Company hedged against the risk of forex fluctuations. Any risk arising from exposure to foreign currency for exports and is being hedged according to policy approved.

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

OVERSEAS

Suite 100 & 400, 31572 Industrial Road, Livonia, MI – 48150.

345, 7th Avenue, Suite No. 401, New York – 10001.

Suite #200 & 240, 56 Middlesex Turnpike, Burlington, MA – 01803

Suite #100, 510 Thornall Street, Edison, NJ – 08837.

Ecos Office Centre, Room No. 29, Leuschnerpark, IM, Leuschnerpark 4, 64347, Griesheim.

268 Bath Road, Slough, Berkshire, SL1 4DX, United Kingdom.

4 Shenton Way, #08-03 SGX Centre II, Singapore 068807.

3265 Farmtrail Road, York, PA 17406.

4633 Old Ironsides Dr., Ste. 109, Santa Clara, CA 95054.

153 Milton Keynes Business Centre, Foxhunter Drive, Linford Wood, Milton Keynes, Buckinghamshire, United Kingdom, MK14 6GD
Keynes, Buckinghamshire, United Kingdom, MK14 6GD.

Suite # 192, 2001 NE, 46th t. Kansas City, MO - 64116

Suite 302, 52 Atchison St, Leonards, NSW 2065.

3rd Floor, Harbour Front Building, President John Kennedy, Street, Port Louis, Republic of Mauritius.

1, Doughty Street, London, WC1N2PH.

Monash Building Centre Pty Ltd, 468 Blackburn Road, Glen Waverly, Victoria 3150, Australia.

1797 Seddon Court, Ashland, OH- 44805.

Gerhart-Hauptmann-Strasse 20, 64347 Griesheim.

200 South Walker, Suite 625, Chicago, IL 60606.

Office 3201, 32nd Floor, Al Shatha Tower Dubai Media City, Dubai UAE
PO Box: 501755.

4 Collins Avenue, Plymouth MA 02360 USA

MSG Rechtsanwalte & Notare, Vortstadt 32, 6304, Zug, Switzerland.

2350, Mission College Boulevard, Suite 490, Santa Clara, CA 95054.

1807, Cityland 10, Tower 1, HV Dela Costa St, Ayala Avenue, Makati City, Metro Manila.

3rd Floor, Tower 1, Rockwell Business Center Ortigas Ave, Pasig City, 1600 Metro Manila, Philippines.

Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, British Virgin Islands

t) Address for Correspondence**Investors Correspondence/Compliance Officer**

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

Registrar and Transfer Agent

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

XI. Disclosures**a) Materially significant related party transactions:**

During the financial year 2018-2019, the Company has not entered into any material transactions with any of its related parties that may have potential conflict with the interests of the Company at large. The related party transactions entered into with the related parties as defined under the Act and with the SEBI Listing Regulations, during the financial year were in the ordinary course of business and at an arm's length basis and the same has been approved by the Audit Committee. The details of transactions with related parties are disclosed in the Notes to accounts of the Standalone Financial Statements. The Board of Directors have approved a policy for related party transactions which has been uploaded on the Company's website: <http://www.datamatics.com/investors/corporate-governance>

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

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

c) Whistleblower/Vigil Mechanism:

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

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

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

- (i) The Company's financial statements have unmodified audit opinions.
- (ii) The company has appointed separate persons to the post of Chairman and CEO.
- (iii) The internal auditors of the Company, M/s. SKPAG & Co., Chartered Accountants, reports directly to the audit committee.

e) Policy for determining material subsidiaries:

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

f) Appointment of Independent Director on the Board of material Unlisted Subsidiary Company:

The Company has appointed the Independent Director on the Board material unlisted subsidiary Companies viz. Lumina Datamatics Limited and Lumina Datamatics Inc.

g) Policy on dealing with related party transactions:

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

h) CEO & CFO Certification:

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

i) Details of total fees paid to statutory Auditors:

The details of total fees for all services paid by the company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part are as follows:

Type of Service	₹ in million	
	FY 2018-19	FY 2017-18
Audit Fees*	8.57	10.62
Tax Fees	2.73	2.73
Others	1.20	1.20
Total	12.49	14.67

*Includes audit and audit related services

j) Complaints pertaining to sexual harassment:

No Complaints pertaining to Sexual Harassment were received during the financial year under review.

k) Non – Debarment or Non-disqualification of Directors:

A certificate from Mr. Tushar Shridharani, Practicing Company Secretary, confirming that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such statutory authority is enclosed herewith.

XII. Disclosures of the compliance of Corporate Governance Requirement:

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

XIII. Declaration by CEO:

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

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

XV. Disclosure with respect to shares transferred to IEPF:

In terms of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended from time to time, all shares in respect of which dividend has not been claimed by shareholders for seven consecutive years were transferred to the Investor Education & Protection Fund Authority in accordance with the procedure prescribed under the said rules. At the end of the year, i.e., as at March 31, 2019, 46,279 equity shares were lying in the IEPF.

Declaration by the CEO

I hereby declare that all the Directors and Senior Management personnel of the Company have affirmed compliance with the Datamatics – Code of Conduct and Ethics for the financial year ended March 31, 2019.

Place : Mumbai
Dated : May 09, 2019

Rahul L. Kanodia
Vice-Chairman & CEO