



Chairman's Message

Dr. Lalit S. Kanodia
Founder and Chairman

I am happy to share that your Company has restructured its business during the FY 2020-21 with the objective of increasing revenues, reducing costs, and improving the ease of doing business



Dear Shareholders,

I am happy to share that your Company has restructured its business during the FY 2020-21 with the objective of increasing revenues, reducing costs, and improving the ease of doing business, despite the fact that we were confronted by the Covid Pandemic with unknown consequences.

This restructuring included:

- Merger of Datamatics Digital Ltd. (earlier TechJini), a Company devoted to Mobility Software Development in which we had acquired a controlling interest in 2017-18, into Datamatics Global Services Limited in December 2020.
- Acquisition of 100% of the equity of R. J. Globus Solutions Inc., a Company located in Philippines in which we had acquired a controlling interest in 2018.
- Divestment of CIGNEX Datamatics, in which your Company indirectly held 62.51% equity stake, at a consideration of USD 16.57 million, since this was not in our core business.

As a consequence of the above actions our financials improved as follows:

1. EBIDTA margins in FY 2020-21 were ₹1,442.4 million, up 15.1% YOY as against ₹1,235.7 million in FY 2019-20.
2. Profit after Tax was ₹797.5 million, up 25.1% YOY as against ₹637.4 million in FY 2019-20.
3. The Company had zero debt as on 31st March 2021.

Worldwide IT and digitization continue to surge. It is estimated that India exported \$145 billion of IT Services in 2020-21 and remains the dominant exporter in this sector. Besides, our domestic market is estimated at \$50 billion. IT therefore constitutes about 8% of India's GDP.

Your Company provides digital solutions across Banking & Financial Services, Insurance, Retail, Manufacturing, International Organizations, and Media & Publishing, servicing over 200 significant customers globally.

As we all look ahead towards a potential end of pandemic, your Company has worked hard to emerge through this crisis as a resilient organization. We took a series of actions to mitigate potential threats posed by Covid pandemic to our business.

As a first step, our Executive Directors took a voluntary cut in their compensation and Staff members were given computer hardware at their residences with connectivity to enable them to work from home. We were thus able to serve our clients with little or no disruption. I am extremely proud of all our staff members who rose to the challenge.

We continue to invest in developing Intellectual Property and have a strong footprint in the digital space providing new age solutions in Cloud, Mobility, Robotics, Digital Process Automation and Artificial Intelligence. Datamatics also has a strong product portfolio in Robotic Process Automation (TruBot), Intelligent Document Processing (TruCap+), Business Intelligence & Advance Analytics (TruBi), Artificial Intelligence (TruAI) and Automated Fare Collection (TruFare).

Our Share price, which did not reflect the strength of the Company, increased drastically in the last few months, thus correcting an inexplicable anomaly. Our Share price as on 31st March 2020 was ₹ 41.05 which surged and reached a high of ₹ 347 in late August 2021.

During the second wave of COVID-19, your Company stepped up its CSR initiatives and donated an oxygen plant to a hospital in Delhi through the Rotary Club of Delhi Premier. We also donated mobile toilets and bathrooms for the rehabilitation centre of COVID-19 patients at Puducherry. Additionally, your Company also deployed its TruBot technology to help the Nashik Municipal Corporation manage antigen test data for ICMR.

I would like to end this letter by quoting a phrase of Lou Gerstner, former Chairman of IBM, in these challenging times to overcome crises posed by COVID-19 pandemic - "Computers are magnificent tools for the realization of our dreams, but no machine can replace the human spark of spirit, compassion, love, and understanding."

I take this opportunity to thank all our customers, staff, shareholders, business partners and associates for their unceasing support and commitment to your Company.

Dr. Lalit S. Kanodia

Ph. D. (MIT, USA)

Founder and Chairman



Vice Chairman & CEO's Message

Rahul L. Kanodia
Vice Chairman & Chief Executive Officer



I am extremely proud of the way every Datamatician worked relentlessly to deliver our services and commitments to all our stakeholders. We are happy to see the growth recovery in businesses across industry and verticals which was impacted initially due to pandemic



Dear Shareholders,

Today digital technology has become an integral part of our lives. Our digital solutions includes products and services that enable digital transformation of our clients' businesses. Solutions like Intelligent Automation, Digital Finance, Digital Workplace, and Cloud enable our clients increase enterprise productivity and Customer Management, Digital Experience, and Digital Content Management help them deliver outstanding customer experience.

Let me give a brief insight into our solutions portfolio:

Our **Technology Services** adopt agile methodologies and DevOps to deliver next-generation Application Development and Management services to global enterprises. We have partnered with IBM and OpenText to drive Digital Transformation for large marquee enterprises. Cloud is another rapidly growing area, and we have partnered with Amazon Web Services and Microsoft Azure to build our services capabilities.

For mobility solutions Datamatics has become the preferred choice of digital-first companies to build their human-centric digital experiences. With COVID pandemic, we have seen new opportunities in the Fin-tech, Ed-tech and Med-tech space.

In **Business Process Management** space we have invested in digital automation platforms to make operations more productive and efficient. Our Digital Finance solutions streamline and automate the back-office and mid-office processes on iPM, our cloud based digital platform that integrates with Robotics, and Intelligent Document Processing. Datamatics was recognized as a Star Performer in Finance and Accounting Digital Capability Platform Solution Peak Matrix 2020 by Everest Group. In Digital Content Management, Lumina Datamatics has developed strong IP solutions such as CAPS for Journal Content Authoring and Publishing System and MARS a Manuscript Assessment and Reporting System.

We are also investing in areas that are witnessing high growth:

Automated Fare Collection (AFC) is an important focus area. With government focus on smart and rapid transport such as metro-rails, we see this as a good opportunity. Datamatics is the only Indian Company to have a robust AFC, solution and have successfully deployed TruFare at Lucknow metro and Vaishno Devi, and are currently working on Mumbai Metro. We are also actively pursuing US market and have won the AFC contract for Memphis.

Intelligent Automation, is currently the fastest growing enterprise technology segment in the world, growing at 58% per annum. We have made significant investments in strengthening our Intelligent Automation offering by building our own products TruBot in Robotic Process Automation; TruCap+ in Intelligent Document Processing and TruAI, our comprehensive Artificial Intelligence platform. We are getting a good response from the market for these solutions and have started servicing some marquee logos around the world. To increase the sales momentum for TruBot, we have expanded our partner network to over 100 partners around the world.

Datamatics has received a number of awards and recognition. TruBot was recognized by several leading analyst firms like

Gartner, 451 Research, and Everest Group which rated it as a Major Contender in its RPA Peak Matrix 2020. Datamatics TruCap+ was also recognized by Everest Group as a Major Contender in IDP Peak Matrix 2019.

In FY21 our consolidated revenue stood at ₹ 11,491 million; down by 4.5% year-on-year because of non-inclusion of Cignex revenue in Q4 FY21 and impact of pandemic in the initial quarters. Revenue without Cignex in FY21 was ₹ 10,223 million, an increase of 1.5% year-on-year. Of the total revenue, IT solutions - include application management services, digital solutions such as Robotic Process Automation, Digital Experiences, Cloud solutions, analytics as well as Automated Fare Collection - constitute 51% with EBITDA of 6.9%. On the other hand, Business Process Management constitute 49% of total revenues with EBITDA of 18.1%.

Like all businesses we also saw an adverse impact because of COVID. However I am extremely proud of the way every Datamatician worked relentlessly to deliver our services and commitments to all our stakeholders. We are happy to see the growth recovery in businesses across industry and verticals which was impacted initially due to pandemic. Our EBITDA margin increased by 15.3% sequentially in Qtr-2 of Fin. Yr. 21; driven by cost optimization efforts. We are seeing a demand revival across segments as customers are accelerating their digital transformation journey, and are confident of sustaining the growth momentum in coming quarters.

Going forward, Datamatics will actively focus on Intelligent Automation by deploying digital technologies for automating business processes and enhancing customer experiences. We are well positioned to capture this market opportunity on the back of an entire suite of products, solutions and partnerships we have built in this space.

This year, due to COVID, we stepped up our CSR initiatives and made a special effort in contributing to society. We adopted Sambhaji Nagar, a slum in Mumbai and provided meals to over 1,000 families for a month. Additionally, we helped the BMC manage the migrant worker crisis caused by COVID, by setting up an emergency digital call centre. We collaborated with NGOs to provide food and supplies to over 650,000 people. And in the Philippines, we partnered with the local community for setting up safe water systems.

This year, we have firmly established ourselves as a key player in the Diversity & Inclusion space, through the 'Datamatics Diversity Charter'. Datamatics was recognized for being among the Top Companies in the Private sector at the UN Global Compact Network - Innovative Practices Award. Recently, we also won D&I CEO of the Year award and 'Best D&I Award for Gender Diversity and Empowerment'.

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

Yours Sincerely,

Rahul L. Kanodia

Vice Chairman & Chief Executive Officer