

## BOARD'S REPORT

On behalf of the Board of Directors, I am happy to present the 33<sup>rd</sup> Board's Report of your Company with the Balance Sheet and the Statement of Profit and Loss for the year ended March 31, 2021.

### FINANCIAL PERFORMANCE

The Company's financial performance for the year ended March 31, 2021 as compared to the previous financial year ended March 31, 2020 is summarized below:

Particulars	(₹ in millions)			
	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Revenue from operations	11,490.53	12,033.24	4,576.63	4,698.17
Operating Profit before Other Income, Interest, Depreciation and Tax	1,422.42	1,235.73	489.45	552.97
Other Income	107.53	205.10	108.60	155.78
Interest	32.44	46.26	29.29	24.35
Profit before Depreciation and Tax	1,497.51	1,394.57	568.76	684.40
Depreciation	394.81	369.97	132.46	133.02
Share of profit of Joint Venture	4.36	12.03	-	-
Profit Before Exceptional Items and Tax	1,107.06	1,036.63	436.30	551.38
Exceptional items	(13.43)	(157.72)	328.69	-
<b>Profit Before Tax</b>	<b>1,093.63</b>	<b>878.91</b>	<b>764.99</b>	<b>551.38</b>
Provision for Taxation	253.52	261.84	201.89	148.25
<b>Profit After Tax</b>	<b>840.11</b>	<b>617.07</b>	<b>563.10</b>	<b>403.13</b>
Share of Minority Interest in Profit for the year	42.65	(20.37)	-	-
Profit for the year	797.46	637.44	563.10	403.13

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

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

### OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

The Company is a global Technology, BPM and Digital Solutions organization providing intelligent solutions for data driven businesses to increase productivity and enhance the customer experience.

On a Consolidated basis, your Company achieved revenue from operations of ₹ 11,490.53 million, decrease by 4.5% as compared to ₹ 12,033.24 million in the previous year. The decrease was mainly due to Cignex which was divested on 1st January 2021.

Consolidated Operating Profit before Other Income, Interest, Depreciation and Tax were at ₹ 1,422.42 million as compared to ₹ 1,235.73 million resulted in to an increase of 15.1%

The revenue from operations on a standalone basis is ₹ 4,576.63 million, decrease by 2.6% as compared to ₹ 4,698.17 million in the previous year.

Standalone Operating Profit before Other Income, Interest, Depreciation and Tax were at ₹ 489.45 million as compared to ₹ 552.97 million resulted in to a decrease of 11.5%.



The Group recorded the following non-recurring expenses and income as exceptional items:

Sr. No.	Description	(₹ in millions)			
		Consolidated		Standalone	
		2020-21	2019-20	2020-21	2019-20
1	Impairment of goodwill of Vista, a business segment of the group.	(99.24)	-	(99.24)	-
2	Exchange Income arising on partial redemption of preference shares of Datamatics Global Technologies Limited (Mauritius), a subsidiary.	121.54	-	121.54	-
3	Gain on Divestment of Cignex Datamatics Corporation BVI to third party, a subsidiary.	36.50	-	-	-
4	Exchange Income arising on partial buy back of shares of Lumina Datamatics Inc., a subsidiary.	194.42	-	-	-
5	Impairment charges of assets of Lumina Datamatics Gmbh and Lumina Datamatics Analytics and Assessment Limited, subsidiaries.	(266.65)	-	-	-
6	Goodwill Impairment of Duo, a step down subsidiary.	-	(157.72)	-	-
7	Gain on fair value on redemption of preference shares in Datamatics Mauritius and Lumina Datamatics.	-	-	306.39	-
	<b>Total</b>	<b>(13.43)</b>	<b>(157.72)</b>	<b>328.69</b>	<b>-</b>

**DIVIDEND**

In order to conserve the resources of the Company for growth especially keeping in view the prevailing volatile economic situation, your Directors have decided not to recommend any dividend on the equity shares of the Company for the Financial Year ended March 31, 2021.

The Dividend Distribution Policy of the Company was approved by the Board at its meeting held on May 26, 2021 and is available on the Company's website at <https://www.datamatics.com/about-us/investor-relations/corporate-governance>

**TRANSFER TO RESERVES**

During the year under review, the Company has not transferred any amount to General Reserve out of the amount available for appropriation. However, credit balance of Profit and Loss of ₹ 2,883.46 million is transferred to Balance Sheet under the head 'Reserves and Surplus.'

**TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)**

In terms of Section 125 of the Companies Act, 2013 ("the Act"), unclaimed or unpaid Dividend relating to the financial year 2013-14 is due for transfer on October 22, 2021 to the IEPF established by the Central Government. More details are available on <http://www.datamatics.com/investors/unpaidunclaimed-dividend>.

The Shareholders of the Company who have not received or encashed their dividend warrants are requested to claim the unpaid/unclaimed dividend from the Company before its transfer to IEPF.

The Members, whose unclaimed dividends/shares have been transferred to IEPF, may claim the same by making an online application to the IEPF Authority in web Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in).

**ACCEPTANCE OF DEPOSITS**

The Company has not accepted any deposits during the Financial Year 2020-21 in terms of Chapter V of the Act.

**SUBSIDIARY COMPANIES**

The Company has the following Indian subsidiaries (including the step down subsidiaries) as on March 31, 2021:

1. Cybercom Datamatics Information Solutions Limited
2. Lumina Datamatics Limited
3. Datamatics Digital Limited<sup>@</sup>
4. Datamatics Staffing Services Limited
5. CIGNEX Datamatics Technologies Limited<sup>\$</sup>
6. LDR eRetail Limited
7. Datamatics Robotics Software Limited
8. RJ Globus Solutions Private Limited\*
9. LD Publishing & eRetail Limited<sup>#</sup>

<sup>@</sup> Merged with and into parent Company, Datamatics Global Services Limited w.e.f. December 7, 2020.

<sup>\$</sup> Divested w.e.f. December 31, 2020

\* Under process of striking off.

<sup>#</sup> Striked off w.e.f. March 22, 2021.

The Company has the following overseas subsidiaries (including the step down subsidiaries) as on March 31, 2021:

1. Datamatics Global Services, Inc. (US)
2. Datamatics Infotech Limited (UK)
3. Datamatics Global Services Pty Limited (Australia)
4. Datamatics Global Technologies Limited (Mauritius)
5. Datamatics Global Technologies AG (Switzerland)
6. Datamatics Global Services FZ-LLC (Dubai)
7. Datamatics Global Services Corp. (Philippines)
8. Datamatics Robotics Software Inc. (US)
9. Lumina Datamatics Inc. (US)
10. Lumina Datamatics GmbH (Germany)
11. Lumina Datamatics Assessment and Analytics LLC (US)

12. CIGNEX Datamatics Corporation (BVI)<sup>#</sup>
13. CIGNEX Datamatics, Inc. (Michigan)<sup>§</sup>
14. CIGNEX Datamatics GmbH (Germany)<sup>§</sup>
15. CIGNEX Datamatics Pte. Limited (Singapore)<sup>§</sup>
16. Duo Consulting Inc. (US)\*
17. RJ Globus, Inc. (US)
18. RJ Globus Solutions Inc. (Philippines)
19. Datamatics Global Services BV (Netherlands)

# Liquidated w.e.f. August 17, 2020.

§ Divested w.e.f. December 31, 2020.

\*Sold on April 1, 2020.

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

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Company including Consolidated Financial Statements along with relevant documents and separate Audited Financial Statements in respect of subsidiaries are available on the website of the Company.

## SHARE CAPITAL

As on March 31, 2021, the paid-up share capital of the Company was ₹ 294.75 million divided into 5,89,49,337 equity shares of ₹ 5/- each fully paid up. During the year, there has been no change in the paid-up share capital of the Company.

The authorized share capital of the Company was ₹ 975.5 million as on March 31, 2020. During the year, the Scheme of Amalgamation for the merger by way of absorption of Datamatics Digital Limited ("the Transferor Company" or "DDL") with and into Datamatics Global Services Limited ("the Transferee Company" or "DGSL"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder, was heard by the Hon'ble National Company Law Tribunal (NCLT) and the final order was passed dated November 6, 2020 approving the scheme. The merger became effective from December 7, 2020 after complying with all statutory requirements.

As per the terms of the order of NCLT, the authorized share capital of ₹ 6 million of DDL shall automatically get merged with that of authorized share capital of DGSL.

Hence, the authorized share capital of the Company as on March 31, 2021 is ₹ 981.5 million.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Retirement by Rotation.

In accordance with the provisions of the Act and the Articles of Association of the Company, Mr. Sameer L. Kanodia [DIN – 00008232 – Non-Executive Director], retires by rotation at the ensuing Annual General Meeting ("AGM") and being eligible offers himself for re-appointment.

Brief particulars and expertise of directors seeking appointment/re-appointment together with their other directorships and committee memberships have been given in the annexure to the Notice of the AGM in accordance with the requirements of the Listing Regulations and Secretarial Standards.

## Declaration by Independent Directors

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

The Board of Directors of the Company is of the view that all the Independent Directors including those who are appointed / re-appointed during the year under review fulfil the criteria of independence and they are independent from the management of the Company. All Independent Directors of the Company have confirmed that they have registered themselves with Independent Directors' Database of IICA and will appear for the online proficiency test of IICA, if applicable.

## MEETINGS OF THE BOARD

During the financial year, six (6) meetings of the Board of Directors were held, the details of which are given in the Corporate Governance Report of the Company, which forms part of this Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed under the Act.

## BOARD AND COMMITTEE EVALUATION

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

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

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

## FUTURE GROWTH STRATEGY

It is one year since COVID-19 was declared a global pandemic and the threat of pandemic is far from over. Though world economy is recovering and the economic outlook is positive, the uncertainties related to the pandemic spread and severity within different regions and corresponding lockdowns can severely impact the businesses across the world.

Like last year, Datamatics priorities continue to be employee well-being, servicing and retaining customers and tightly managing cash-flows.

**Employee well-being** is of foremost importance for Datamatics. Protecting the health and life of all Datamaticians and their families occupies centre stage. At a company level, Datamatics is implementing all the guidelines recommended by the Government to ensure the safety and well-being of employees and to reduce the spread of the pandemic in the society at large.

**Focus on customers:** During past one year Team Datamatics worked exceedingly well working from home as well as in hybrid model and ensured continuity of services for our customers. Datamatics has the necessary infrastructure in place to ensure smooth functioning of business. Datamatics was appreciated by several of its customers for its delivery excellence over the past year and has received commendations from its customers.



As customers are increasingly adopting digital technologies to drive their businesses, it has provided an excellent opportunity to partner with them in implementing digital transformation solutions that would enable them to remain competitive. The Company has seen an increased demand from its customers for digital technologies and is fully geared up to service them.

**Managing cash-flow and cost optimization** continues to be a top priority for the Company. The Datamatics Management team is keeping a keen eye on cash flow, taking all the necessary efforts to actively conserve cash and curtail all discretionary spends.

Looking ahead, Datamatics will continue to focus on technologies, such as Intelligent Document Processing, Robotics, Cloud, Digital Experiences, Analytics, and Artificial Intelligence. These digital technologies are some of the thrust areas for Datamatics and the Company is investing in developing intelligent innovative solutions in these areas.

Datamatics will continue to invest in developing as well as updating its own IP solutions in the digital technology space. Datamatics is expanding its partner network and believes that the evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP solutions globally.

In addition to digital technologies, Datamatics has been focusing on areas, such as Automated Fare Collection and Smart transport as growth areas in India as well as across the globe and will continue the focus.

Datamatics is seeing an increase in demands in technology spending cycles, both from new and existing clients. This acceleration is expected to remain a key growth driver for the IT industry for the next few years as digital transformation plays out. It is an era of technology upgradation which is creating huge opportunities for the IT industry. Datamatics is also seeing specific opportunities in the process automation and dynamic content management areas.

Overall, Datamatics is well prepared to address the challenge posed by COVID-19 pandemic and remains cautious and at the same time confident of sustaining the growth momentum in coming year.

**KEY BUSINESS DRIVERS FOR DATAMATICS IN FY 21**

- **Products & Platforms:** Datamatics is investing in developing as well as updating its own IP solutions in the digital technology space. Datamatics products and platforms such as TruBot for Robotic Process Automation, TruCap+ for intelligent data capture, iPM for end-to-end workflow management, TruBI for business intelligence & data visualization and TruFare for Automated Fare Collection, are getting good traction in the market.
- **Partner and reseller channels:** On the back of product strategy, Datamatics continues to invest in expanding its partner network. The evolving partner ecosystem will increase the sales momentum and will ensure smooth implementation and support for Datamatics IP products globally. The partner strategy has now started showing results with some deals being closed and a healthy pipeline.
- **Automated Fare Collection (AFC):** This has been a focus area for Datamatics, with it being the only Indian company to have highly evolved AFC, Smart Gates, and Contactless Gates service offerings. Datamatics sees this as a huge opportunity in US and emerging economies around the world, including India. Currently Datamatics has made substantial progress in implementing AFC solutions for

Mumbai Metro (Line 2A and 7); and Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA.

- **Digital Solutions – Intelligent Automation, Digital Experiences, Cloud:** Datamatics is well positioned to implement digital technologies, such as Intelligent Document Processing, Robotic Process Automation, Digital Experiences, Analytics, Cloud, and Artificial Intelligence for its customers. Datamatics with its experience and expertise has carved a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions that will enable businesses to further evolve by improving productivity and enhancing customer satisfaction. In FY21, Datamatics continued making significant efforts and investments in strengthening its digital footprint.
- **Account Penetration:** Datamatics has customers across industries; many of these are Fortune 500 companies. Datamatics is focusing on deeper penetration within the customer accounts through account management for cross-selling and up-selling through its integrated sales and marketing efforts.
- **Branding & Marketing:** Datamatics has been investing in marketing and branding efforts for increasing visibility, strengthening digital footprint and geographic reach. In FY21 Datamatics engaged with prospects and customers through virtual seminars and digital campaigns. Datamatics also successfully conducted its virtual Intelligent Automation Summit which was attended by senior professionals from different industries across the globe.

**INTELLIGENT AUTOMATION PLATFORM (IAP)**

In the wake of pandemic induced lockdowns, work from home, and COVID absenteeism; automation has emerged as a strategic initiative to ensure business continuity. Gartner predicts that by 2022, 65% of organizations that deployed automation capabilities will introduce artificial intelligence (AI) and intelligent document processing (IDP). It further projects hyper-automation market to be of \$25 Billion in 2021 growing at 18.8% CAGR and thereby amounting to \$46 Billion by 2025.

Datamatics Intelligent Automation Platform (IAP) is a unified platform to automate a series of tasks, processes, and unstructured and semi-structured data in documents; addressing the automation needs of the businesses. The IAP combines the capabilities of TruBot for Robotic Process Automation (RPA), TruCap+ for Intelligent Document Processing (IDP) along with artificial intelligence (AI)/machine learning (ML) models developed by Datamatics. This year Datamatics launched a new AI-enabled TruCap+ IDP solution which was recognized as a Major Contender and Star Performer by Everest Group in its IDP PEAK Matrix® 2021.

The company continued to receive several rewards and recognitions for its Intelligent Automation Platform. TruBot RPA was recognised at Gold Stevie Award 2020 for 'Sales & Customer Service' while TruCap+ IDP won People's Choice Stevie Award 2020 for 'Favourite New Products.'

For enhancing the market visibility and to generate new leads, apart from various online events and lead generation activities, Datamatics successfully conducted its virtual Intelligent Automation Summit. This summit was attended by over 1700 senior professionals from different industries across Americas, Europe, Middle East and India regions.

The strong presence in the global events & seminars and

continuous engagement has given a boost to the visibility of Datamatics solutions and the company has got a good coverage by reputed analyst firms including Gartner, Everest, ISG, 451 Research, etc.

- TruBot RPA recognized as a Strong Performer in Forrester Wave for RPA, Q1 2021;
- TruCap+ IDP recognized as a Major Contender and Star Performer in Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2021;
- Datamatics recognized as Major Contender in the Everest Intelligent Process Automation (IPA) – Solutions PEAK Matrix® Assessment 2021;
- TruCap+ IDP recognized as a Leader in SPARK Matrix: Intelligent Document Processing (IDP), 2020;
- Datamatics named as Product Challenger in the ISG Provider Lens™ Intelligent Automation - Solutions and Services - US and UK 2020;
- Datamatics recognized in the Gartner Peer Insights 'Voice of the Customer': Robotic Process Automation 2020;
- TruBot RPA recognized by Everest Group as a Major Contender in its Robotic Process Automation (RPA) Peak Matrix 2020;
- Datamatics acknowledged as a key player in RPA market in the report 'Datamatics looks to broaden its footprint in the RPA market' by 451 Research.

## QUALITY

Quality is the sine qua non for your company. A relentless focus on Customer delight, continuous process improvements and lean and efficient processes have been the hallmarks of the company for years. This is what gives us an edge over our competition. A look at the average duration a customer has been happily associated with Datamatics is an eloquent testimony to our untiring commitment to quality. In the present challenging and constraining Covid 19 times, our team members stepped up their efforts and left no stone unturned to ensure that the customers continue to receive same level of stellar support as the previous normal times. Quality at Datamatics is a legacy that is being ably carried forward by the present team as well. The industry has also been recognizing the company's performance. This year too, your company and its personnel featured prominently at various platforms by winning prestigious awards.

Your Company is the first and the only I.T. Company to have won the "International Asia Pacific Award" for Quality in services sector. The Award was won against competition from hundreds of companies from 38 countries spread across the world, including the US, Japan, Australia, New Zealand, Russia, Canada, China, Israel, South Korea, Peru and Mexico. Your Company also won the prestigious "IMC IT Award for Quality" in January 2014. We have won the Global Quality Challenge award of one of the fortune 100 organizations for the ninth time.

Further significant initiatives of the Company towards quality are:

### 1) Certifications:

The Company's quality management systems (QMS) that forms the backbone of all the processes and the way day-to-day operations are carried out is a very comprehensive and robust standard that draws from a host of international standards and

benchmarks. This includes ISO 9001:2015, SEI CMMI, ITIL, Agile, ISO 20000 and so on. The QMS has been successfully assessed and certified for ISO 9001:2015, CMMI (Dev) Ver 1.3 high maturity level L4 and CMMI (Svc) Ver 1.3 L3. During all the surveillance periodic assessment audits, there has been no major non-conformity observed. All the new centers that we added in the financial year have also been successfully assessed and certified to the above international standards.

As you are aware, with the growing complexity of the digital economy and the present COVID 19 situation where we have been forced to switch significantly to work from Home model, the threat on the information security and data also increases in terms of complexity and impact. Your company is fully aware of this challenge and we constantly keep upgrading our information security management systems (ISMS). Our operations and ISMS have been successfully assessed and are compliant to ISO 27001:2013, SSAE 16 SOC 1 and SOC2 requirements. As you would be aware, these standards are extremely important for Financial, Insurance and Healthcare industries.

Our commitment to ensure a robust information security management system for our customers has been bolstered by these certifications. We have implemented Security Information and Event Management (SIEM) solution as well which will further strengthen the Information security management. During the COVID 19 lockdown and remote working methodology, there has been a palpable increase in the threat to information and data security. Pre-empting such threats we have secured our networks further, addressed end point vulnerabilities and implemented mechanisms and tools to address advanced persistent threats (APTs) from all kind of malware attacks. There is an increased focus on employee awareness around information security as well for proactive and preventive measures to thwart any malicious attack. There is a conscious thrust on risk management as an organization strategy and the risks and mitigation plans are reviewed regularly at all pertinent levels.

A lot of thrust has also been put in enhancing the overall project management skills of our project managers through formal PMP certification from PMI, USA.

### GDPR REGULATIONS AND DATA PRIVACY ACT

As you would be aware, General Data Protection Regulations (GDPR), the most important regulation around data privacy in the European Union region came into force a couple of years back. All our contracts with the customers in the EU region have been revised to incorporate the requirements of GDPR. Our processes have been further strengthened around the GDPR requirements. A dedicated Data Protection Officer (DPO) has been appointed to address issues, if any, raised around GDPR compliance. All the relevant employees and management have been trained on GDPR principles and requirements. GDPR awareness is an integral part of the employee induction program.

We are also gearing our processes to address all the requirements of the Data Privacy Act of India. We plan to get assessed and certified to Data Privacy standard, ISO 27701.

### 2) Customer Satisfaction Tracking:

As you're aware, your company conducts customer satisfaction surveys at the end of every major milestone to assess customer's perception of our services. The wholly automated survey asks the customers their feedback on a range of parameters that measure their near and long term perception about the company.



We feel proud to share with you that we continue a stellar performance on this count. Your company scored 5.31 on overall satisfaction rating on a scale of 1-6, 1 being the lowest and 6 being the highest. Another highlight of this survey has been that 87.3% of the respondents have rated us in the top 2 boxes of the rating i.e. extremely satisfied and Delighted. 52 customers have rated us as delighted on all the parameters. We believe that in the modern environment Customer Experience i.e. the impression that our customers make during their interaction with us, is extremely critical. Customer Experience, apart from the feedback on the hard deliverables, is an integral part of these surveys. We are glad to share that the results are extremely positive on this front.

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

**3) Continuous Improvement - Lean Six Sigma:**

The Company has a mature and well-entrenched continuous improvement program. This program is based on the principles of Lean, Six Sigma and Kaizen. The program focusses on making our processes more efficient, productive, accurate and cost effective. The program continues to deliver significant benefits to the organization with improvements in productivity, efficiency, accuracy and customer satisfaction. Overall 445 Lean Six Sigma projects and 1950 Kaizens were successfully completed since 2007.

The Company has about 30 Six Sigma Green Belt and 55 Six Sigma White Belt certified professionals along with 6 Six Sigma Black Belt and 1 Six Sigma Master Black Belt certified professionals. The Company spent over 2100 person hours of training around continuous improvement in the FY 2020-21.

**HUMAN RESOURCE MANAGEMENT**

The year 2020-21 saw Corporate India severely hit by COVID -19 and global lockdowns, and we had to rapidly shift gears, to transform how we support our employees, clients, stakeholders and continue 'Business as Usual'. The Human Resource function the 4C strategy of Collaborate, Communicate, Connect and Contribute to address the dynamic, unprecedented scenario, and lead transformation, all the while being '(Socially) Distanced yet (Mentally) connected with the employees. The global headcount of employees as on March 31, 2021 was 10,000 plus.

At Datamatics, we have a significant number of our employees, offering technology support to companies that cater to essential services. It was imperative for us to ensure the business continuity especially for these functions, even in lockdown period, irrespective of the challenges. It helped us to have a pre-existing Work From Home (WFH) policy, but the sudden crisis definitely required us to re-think, re-assess and re-work on existing company norms, and within a very short span.

In many locations, we moved to 100% WFH mode overnight with our global Admin and IT Operations support, to provide the infrastructure to continue work. In Philippines, where there was immediate strict lockdown, some employees were provided accommodation for more than 15 days in hotels near our offices, so they were safe and well taken care of. Indian nationals travelling abroad were brought back home, on priority and employees in need of immediate assistance, be it financial or housing were provided (at times, even using personal network to ensure support). While announcing part-closure of offices in US, as per local regulatory norms, we ensured work continues for

every business and client deliverables are honoured.

**TALENT ACQUISITION**

'Honoring Commitments' the value system at Datamatics was the guiding light in all our activities - all offers made before lockdown continued to be honored through e-onboarding and remote support. Open positions were regularly shared through mails and social media, thereby generating hope for Talent in the otherwise gloomy job market.

In spite of challenges of lockdown, the Talent Acquisition Team ensured timely onboarding at the right cost & quality across diverse functions, skills and geographies. The team has been using innovative methods of hiring with an extensive focus towards mapping, networking & social media for niche & leadership hiring. The team worked seamlessly the entire year from WFH and WFO model and swiftly adapted to the new normal.

The team explored and expanded the alternative talent sourcing medium i.e. gig economy, freelancers and part-timers for one of the rapidly growing lines of service (CMS), and also managed to position a large number of resource pool employees to various projects in quick time. The team partnered with prestigious educational institutions like IIT Kharagpur, IIM Rohtak, IIM Jammu & IIM Amritsar for internship and invested immensely in campus connects. The association would help the organization in acquiring top new talent in the future.

The team has stayed ahead of the curve, with eminent industry practices relevant to resume sourcing, assessments, interviewing, background verification, negotiations and candidate engagement, and the efforts got recognized end of the year by none other than NASSCOM. They featured Datamatics talent acquisition practices in their Best practices compendium, which also featured some big names in the industry. Innovation has been the guiding principle towards relentless improvement, and the team has employed avant-garde strategies like brand-driven job posts, video interviewing, passive candidate engagement, research, social media usage, industry intelligence and effective referral programs. It has also been a continuous effort to establish Datamatics as an Employer of Choice, through powerful messaging around the key Employee Value Proposition.

**LEARNING & DEVELOPMENT**

Learning continued throughout the year, despite the challenges, albeit in a new avatar. Corporate L&D team continued to collaborate with all locations in enabling, enriching, and co-creating continuous learning and improvement culture. Some key initiatives were as follows:

- Beyond conventional learnings: Various interventions like LWS: Learning Web Series, LT: Leadership Talks, H2H: Heart-to-heart, LYS- Lead Your Ship were executed for impactful learning. In all, 459 online training sessions were executed to have robust learning culture with 67% increase in participation as compared to last year.
- Digital Learning: We strengthened our LMS platform which offers 100+ wide range of learning modules from compliance, behavioural, technical, Sales sessions etc.
- Learning Mascot- Datamatics DAT (Develop-Aspire-Transform): We launched Datamatics DAT to provide every employee with their own learning buddy to guide them through their learning journey.
- Compliance focus: Learning at Datamatics continues to

stay compliant by successfully completing the capability maturity model integration CMMi certification level 3 as well as surveillance audit for information security management system ISMS.

Learning & Development has clocked 281,563 person hours in the year 2020-21, 3% higher than the year before, with an average feedback of 4.1 out of 5.

## TALENT MANAGEMENT

Talent Management vertical within HR evolved into an HR Centre of Excellence, encompassing the important agenda of Diversity & Inclusion, Employer Branding and CSR while continuing to support all facets of 'Talent' internally at Datamatics.

- Key Talent conversations were initiated by piloting Internal Capability Study, robust performance management process with customized Individual Development Plan creation, performance feedback with concrete steps, for all employees who appeared for Promotion Board. KRA-KPIs were chalked out for leadership team with clear accountabilities, in line with changing expectations, to build a performance-driven culture.
- Through the year, initiatives and activities were conducted keeping in mind inclusion on the "Talent@Home," i.e. family members of Datamaticians - Workshops on Emotional Resilience during Covid times for all women Datamaticians and family members, #heforsheathome a UN Women initiative highlighting reversal of gender norms, complimentary Career Guidance Assessment for children among others.
- Through "Welcome Back' initiative, across global locations, close to a 100 women started their post Maternity Second innings.
- (Wo)Mentoring, i.e. Women Mentoring Women, with their insights and wisdom, was launched for all women in mid-management & above in Datamatics.
- The team initiated and maintained regular positive communication, ensuring visibility across all existing channels, including themes like D&I, CSR & Mental Health (celebrating World Mental Health Day by participating in Mind Matters Week).

## CORPORATE HR

Human resources oversee the most important component of a successful business – a productive, thriving workforce. The fundamental belief is people are assets, whose work is directly related to current and future business success. The HR Business Partners in every location were instrumental in initially facilitating the WFH/ WFR (Work from Home / Work from Remote) model. As the Govt. directives changed, the HRBPs played a crucial role in promoting the Hybrid model at the workplace.

The key initiatives undertaken during the year are highlighted as follows:

- As a special measure to engage with employees across the globe, HR launched a Voice of Employee e-platform "(Socially) Distanced yet (Mentally) Connected" to connect with the employees of individual businesses. Through the themes of Recognition, Appreciation, Emotional well-being, employees felt more aligned to the organization in tough times. The HRBPs were able to communicate with the employees on a regular interval, ensuring that the organisation had the Pulse of the people;

- Select employees were conferred titles as Datamatics Warheroes, Extra Milers and Client Champs who went over and above their call of duty to honor the commitments made to clients and ensured seamless 'Work from Home' for all employees;
- EPP apprenticeship program was extended to Mumbai in Oct 2021, as a part of our skill development agenda in alignment with Govt. norms;
- Automation initiative of critical processes like Joining and Exit, was launched during the year. New Joiner Portal (NJP) and Employee Separation Module (ESM) are now being used across the India locations;
- HR integration of DX with DGSL was successfully completed in Jan 2021;
- HR integration of RJ Globus with DGSL is on track;
- The organisation launched Employee Wellness programs and discounted schemes to address Social, Emotional, Physical, Financial and Environmental well-being;
- Results of Climate survey socialized across businesses and employee groups helped draw an action plan that cut across different levels i.e., Manager, LOS, and Organisation;
- The Company made a special contribution for performers in Datamatics, to help them earn the coveted title of Datamatics Corona Warriors. Link - <https://fight-corona.net/datamatics>.

## US and Overseas HR Operations

US has been a very strategic and critical geography for us, contributing to significant chunk of the business. Throughout the year, Team HR in USA took robust strides to ensure that core Datamatics fabric remained consistent in the workforce.

With excellent execution of end-to-end employee lifecycle processes from hire to retire, they kept the workforce aligned to the organization and stayed connected and engaged throughout.

Though different states within US had different regulatory guidelines, that were extremely dynamic in nature, the team handled the transition very well, of enabling employees to work from home and ensure business continuity. With all Overseas employees, HR business partners maintained close collaboration and responded promptly for all their needs.

## Philippines Human Resource Operations

BPO Industry remains the pillar of Philippine economy and continues to provide employment opportunities amid the pandemic. This contributed to the slight decrease in unemployment rate according to the Philippine Statistic Authority. RJ Globus was able to cope up with the demand to fill up manpower requirements despite steep competition amongst the BPO players. The highlight of the year was, over 500 project based employment and over 400 full time positions were filled up for FY 21.

While acquiring Talent, the team stayed ahead of the curve throughout the year. The Talent Acquisition team was able to pull off business demands of bulk hiring with almost 90% target achievement, for several campaigns with minimal fallouts. The right talent was hired for the organization, with rigorous evaluations and engaging on-boarding process.



After the strategic acquisition of RJ Globus, Philippines by Datamatics, significant efforts have been undertaken, to integrate the operations across entities and the efforts got strengthened with time. In spite of the severe nature of the pandemic, the entire Philippines HR team worked with utmost efficiency, as a well-oiled machinery to manage employee lifecycle operations and corporate HR functions.

With Employee Engagement being a key focus area, the team managed to have a motivated employee base with an energetic new hire orientation program to quickly align the newcomers with the organization. The corporate Voice of Employee initiative of '(Socially) Distanced yet (Mentally) Connected' was rolled out for Philippines as well and employees participated wholeheartedly. Employee communication forum led by HR eg HR Talk, HR Counselling and Focus Group Discussions, guided the employees to course-correct, by identifying their work problems, causes and solutions. The most awaited event of the year was the Annual Recognition Party, an event that had a fine balance of recognizing and rewarding exceptional performance, as well as in-house talent entertaining the audience throughout. Compared to last year, the only difference was, the entire event was online.

However, the spirit of employees was still at an all-time high. As a Socially Responsible Corporate, Datamatics Philippines was always there to help those in need. From the victims of typhoons to the evacuees of Taal, the employees led the way in helping the crisis-hit regions, in their own small way. The annual outreach programs touched the lives of many in the society very positively.

**CORPORATE SOCIAL RESPONSIBILITY**

In these unprecedented times, as a socially responsible Corporate, we have focused our efforts to help fight Corona with our employees' support and leverage our technical expertise. Some notable initiatives were as follows:

- Support the Underprivileged by Slum Adoption & enable long term financial support – Datamatics partnered with the Wockhardt Foundation by supporting its Anaaj+ program. We catered to the needs of over 1000 families affected by COVID 19, by providing groceries & hygiene essentials. We also looked at possible employment opportunities for the youth (who are currently unemployed) by conducting a Talent Pool study;
- MCGM Community Care, Emergency Response Center for Migrants – Datamatics;
- Offered MCGM (Municipal Corporation of Greater Mumbai) support via its expertise in managing call centres and data analytics. Datamatics took over the MCGM Helpline (the primary touchpoint for providing food, shelter, and medicines to all needy, migrant, and below-poverty-line population) and set up a brand-new and very efficient digital call centre providing daily 12-hour support with the help of skilled Datamaticians. To complete the entire loop, Datamatics and Annam & other renowned NGOs donated around 25,000 grocery kits. During this period, Datamatics enabled MCGM to reach over half a million beneficiaries, including the migrant population, without ration cards;
- Extend a helping hand to front liners in tier 3 cities - Datamatics donated Masks and Automatic Hand Sanitizer to Police department, Puducherry, to support their services and help them stay protected while protecting us. The bond got strengthened with the Authorities, with them carrying out physical safety drills, cyber security sessions for us during the year;

- Partner with NGOs like ANEW & Magic Bus and 'not for profit' organizations to provide employment to the underprivileged & marginalized;
- Calamity Response & Community Care (Overseas):
  - a. Calamity Outreach Program - Typhoon Vamco brought on the worst flooding in Metro Manila since Typhoon Ketsana. Datamatics collaborated with employees of our client Domu Brands and took the initiative to do a fund raising program and organize an outreach for the residents of San Rafael, Rodriguez, Rizal;
  - b. We Care and Share Program – Datamatics Philippines team initiated a project to provide a safe and sustainable water source to the residents of the Toclong Kawit Cavite Community.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013**

The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment. The Company is actively involved in ensuring that the employees/resources are aware of the provisions of the POSH Act and rights thereunder.

The Company has constituted an Internal Committee (IC) as required under POSH Act and the constitution of the committee is in compliance with the said Act.

The Company has also adopted Anti-Sexual Harassment Policy, in line with requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and is fully committed to uphold and maintain the dignity of every woman executive working in the Company.

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

Number of complaints filed during the financial year: 0

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

New module on POSH, incorporating content with online forms of harassment and their prevention, will be introduced soon for employees.

**AWARDS & ACHIEVEMENTS**

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

- Datamatics joins the illustrious WEP Signatories (UN Women and UNGC Initiative), supported globally by the EU Union and ILO (International Labour Organization), becoming the 76th Indian organization;
- CEO recognized as Gender Diversity Champion by UN Women India, on their social media network;
- Datamatics won 'Best D&I Award for Gender Diversity and Empowerment' and CEO of the Company was awarded in the category of 'Best D&I CEOs of the Year' at The Best Diversity & Inclusion Practices of Asia Study, Seminar and Awards 2020 LNOD awards;
- Datamatics received 'Special Covid-19 Award' at MRSI Golden Key Awards (GKA) 2020;
- In Public-Private partnership event, graced by State dignitaries, Datamatics won "India Corona Warrior Wockhardt Award.";



- Featured in Talent Acquisition Best Practices compendium, Datamatics was recognized as a significant contributor towards Gender agnostic D&I best practices by NASSCOM (The trade association of the Indian IT BPM industry).

## PARTICULARS OF EMPLOYEES:

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

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

## DATAMATICS' INSIDER TRADING POLICY FOR REGULATION OF TRADING BY INSIDERS

Datamatics has formulated an Insider Trading Policy for Directors and employees in compliance with the SEBI (Prohibition of Insider Trading) Regulations, 2015.

The policy lays down guidelines, which advises the insiders on procedures to be followed and disclosures to be made, while dealing with the Company's securities. The policy clearly specifies, among other matters, that "Designated Persons" including Directors of the Company can trade in the Company's securities only when the 'Trading Window' is open. The trading window is closed during the time of declaration of financial results, dividend and other important events as mentioned in the policy.

The Insider Trading Policy for Regulation of Trading by Insiders is available on our website at <https://www.datamatics.com/about-us/investor-relations/corporate-governance>.

## STRUCTURED DIGITAL DATABASE FOR PREVENTION OF INSIDER TRADING PRACTICE

In accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, ('SEBI PIT Regulations') as amended, the Company has customized a secure Insider Trading Compliance Tool (InsiderLens software) which is maintained in house to prohibit insider trading activity. The Company has in place a structured digital database wherein details of persons with whom UPSI is shared on a need to know basis and for legitimate business purposes is maintained with time stamping and audit trails to ensure non-tampering of the database.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts for the year ended March 31, 2021, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- they have selected such accounting policies and applied

them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year ended on that date;

- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a 'going concern' basis;
- they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## SECRETARIAL STANDARDS

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

### Secretarial Auditor

The Company had appointed Mr. Tushar Shridharani, Practicing Company Secretary, to conduct the secretarial audit for the financial year 2020-2021. The Secretarial Audit Report for the financial year ended March 31, 2021 is annexed as **"Annexure – B"** to this Report.

As per the requirements of the Listing Regulations, Mr. Tushar Shridharani, Practicing Company Secretary, have undertaken secretarial audit of Lumina Datamatics Limited, material subsidiary of the Company for the FY 2020-21. The Audit Report confirms that Lumina Datamatics Limited have complied with the provisions of the Act, Rules, Regulations and Guidelines and that there were no deviations or non-compliances.

## INFORMATION ON AUDITORS' OBSERVATIONS

### 1) Statutory Auditors:

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

### 2) Secretarial Auditor:

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

## STATUTORY AUDITORS

Under Section 139 of the Companies Act, 2013 and the Rules made thereunder, it is mandatory to rotate the statutory auditors on completion of the maximum term permitted under the provisions of Companies Act, 2013. In line with the requirements of the Companies Act, 2013, M/s. M. L. Bhuwania and Co. LLP, Chartered Accountants (Firm Registration No. 101484W/W100197) were appointed as the Statutory Auditors of the Company to hold office from the conclusion of 29<sup>th</sup> Annual General Meeting till the conclusion of 34<sup>th</sup> Annual General Meeting, subject to ratification by Shareholders at each AGM. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018.

During the year, the statutory auditors have confirmed that they

satisfy the independence criteria required under the Companies Act, 2013 and other applicable provisions of law.

**MAINTENANCE OF COST RECORDS AS SPECIFIED BY THE CENTRAL GOVERNMENT UNDER SUB-SECTION (1) OF SECTION 148 OF THE COMPANIES ACT, 2013**

As per provisions of sub section (1) of Section 148 of the Companies Act 2013, the Company is not required to maintain cost records.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

No frauds were reported by auditors under sub-section (12) of Section 143 of the Companies Act, 2013.

**CORPORATE GOVERNANCE**

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

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year of the company to which the financial statements relate and the date of this report.

**MANAGEMENT DISCUSSION AND ANALYSIS**

The Management’s Discussion and Analysis Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report.

**COMPOSITION OF THE COMMITTEES OF THE BOARD**

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

- Audit Committee;
- Nomination and Remuneration Committee;
- Stakeholders’ Relationship Committee;

- Corporate Social Responsibility Committee;
- Risk Management Committee.

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

**PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS**

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

**CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES**

All contracts, arrangements and transactions entered by the Company with related parties during FY 2020-21 were in the ordinary course of business and on an arm’s length basis. During the year, the Company did not enter into any transaction, contract or arrangement with related parties that could be considered material in accordance with the Company’s policy on related party transactions.

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

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

**POLICIES**

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

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

Name of the Policy	Brief Description	Web Link
Whistleblower/Vigil Mechanism	The Company has formulated and adopted a Whistleblower Policy/Vigil Mechanism for its Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of Company’s Code of Conduct and ethics.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Corporate Social Responsibility (CSR) Policy	The Policy outlines the Company’s strategy for bringing about a transformation in the quality of life of people in the society through social upliftment programs. The CSR activities of the Company will focus on Employability, Education & Training, Health and Environment”.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Policy on Material Subsidiaries	The Policy is framed to determine Material subsidiaries of the Company and to provide governance framework for such subsidiaries of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .
Related Party Transaction Policy	Related Party Transactions Policy is framed to ensure the proper approval and reporting of transactions between the Company and its related parties.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a> .

Name of the Policy	Brief Description	Web Link
Insider Trading Policy	The Policy provides the framework in dealing with the securities of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Policy for determination of Materiality of Events	The Policy is framed to provide an overall governance framework for determination of materiality of events / information and to ensure timely and adequate disclosures of material events / information fully, fairly, correctly and transparently to the concerned authorities.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Document Retention and Archival Policy	The Policy is framed to outline the guidelines for retention and archival for corporate records / documents of the Company.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>
Dividend Distribution Policy	This policy sets out principles to determine the amount that can be distributed to equity shareholders as dividend. The policy is framed to achieve dual objectives of appropriately rewarding shareholders through dividends and retaining capital in order to maintain a healthy capital structure to support its future capital and growth requirements.	<a href="https://www.datamatics.com/about-us/investor-relations/corporate-governance">https://www.datamatics.com/about-us/investor-relations/corporate-governance</a>

**INTERNAL FINANCIAL CONTROLS**

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

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

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

**RISK MANAGEMENT POLICY**

Risk Management is embedded in Datamatics operating framework. The Company has a duly approved Risk Management Policy, which lays down broad guidelines for the appropriate authority to identify, assess, categorize and prioritize risks in a timely manner and formulate plans for mitigation of such risks.

Pursuant to SEBI (Listing Obligation and Disclosure Requirements) (Second Amendment) Regulations, 2021, the Risk Management Committee was reconstituted to frame, implement and monitor the risk management policy for the Company. The composition of the Committee is in conformity with the Listing Regulations, with majority members being Directors of the Company. The Committee shall be responsible for monitoring and reviewing the risk management plan and ensuring its effectiveness. The Audit Committee has additional oversight in the area of financial risks and controls. The major

risks identified by the businesses and functions shall be systematically addressed through mitigating actions on a continuing basis.

The details of composition of the Risk Management Committee and its terms of reference, is provided in the section titled 'Report on Corporate Governance', which forms part of this Annual Report.

**CORPORATE SOCIAL RESPONSIBILITY ("CSR")**

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company during the financial year 2020-21 are annexed as "Annexure - C" to this Report in the format prescribed in the Companies (Corporate Social Responsibility Policy), Rules, 2014.

**SCHEME OF ARRANGEMENT**

The Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') vide its Order dated November 6, 2020 had approved the Scheme of Amalgamation for the merger by way of absorption of Datamatics Digital Limited ("the Transferor Company" or "DDL") with and into Datamatics Global Services Limited ("the Transferee Company" or "DGSL"), pursuant to Section 230 to 232 and other relevant provisions of the Companies Act, 2013 and the rules made thereunder.

DGSL and DDL have complied with all the requisite filings as per directions of the National Company Law Tribunal, Mumbai Bench ("NCLT") and the merger became effective from December 7, 2020.

**SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS**

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

**ANNUAL RETURN**

Extract of the Annual Return for the Financial Year ended on March 31, 2021 as required by Section 92(3) of the Act and Rule



12(1) of the Companies (Management & Administration) Rules, 2014 is annexed as “Annexure D” to this Report and can be accessed at [www.datamatics.com](http://www.datamatics.com) under the ‘Investor’ Section.

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

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

**A. CONSERVATION OF ENERGY:**

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

**B. TECHNOLOGY ABSORPTION:**

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

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

Foreign Exchange Earned in terms of Actual Inflows:  
₹ 2,514.49 million.

Foreign Exchange Outgo in terms of Actual Outflows:  
₹ 291.97 million.

**BUSINESS RESPONSIBILITY REPORT**

The Business Responsibility Report for the year under review, as stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is part of this annual report and is annexed as “Annexure – E” to this Report.

**ACKNOWLEDGEMENTS**

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

For and on Behalf of the Board

**Dr. Lalit S. Kanodia**  
Chairman  
DIN: 00008050

Place : Mumbai  
Date : May 26, 2021