

Contents

Letter to Shareholders	page 02
Board of Directors	page 04
Management Speak	page 05
Financial Highlights	page 06
Present Business	page 08
Directors' Report	page 09
Report on Corporate Governance	page 18
Management Discussion & Analysis	page 27

Financial Information

Auditors' Report on Consolidated Financial Statements	page 30
Consolidated Balance Sheet, Profit & Loss Account, and Schedules	page 32
Consolidated Cash Flow Statement	page 50
Auditors' Report	page 51
Balance Sheet, Profit & Loss Account, and Schedules	page 54
Cash Flow Statement	page 79
Balance Sheet Abstract and Company's General Business Profile	page 80
Statement Pursuant to Sector 212 of the Companies Act, 1956	page 81
Financial Details of the Subsidiary Companies for the Year Ended March 31, 2009	page 82
The Year at a Glance	page 83



Registered Office

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Mumbai – 400 096
Tel: +91 (22) 6102 0501 – 0504
Fax: +91 (22) 2829 1673

Corporate Office

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MIDC, Andheri (East)
Mumbai – 400 093
Tel: +91 (22) 6102 0000 – 0009
Fax: +91 (22) 2834 3669

Registrar & Share Transfer Agents

Datamatics Financial Services Limited
Plot No. B-5, MIDC,
Part B, Cross Lane,
Andheri (East) Mumbai – 400 093
Ph No. 91-22-6671 2237
Fax No. 91-22-6671 8204
Email: depository@dfssl.com

Vice President – Legal & Company Secretary

Divya Kumart

Auditors

Kanu Doshi Associates

Solicitors

Crawford Bayley & Co.

Bankers

State Bank of India
HDFC Bank Limited
ICICI Bank Limited



Dr. Lalit S. Kanodia
Chairman

Letter to the Shareholders

I am delighted to share with you the financial results of Datamatics Global Services Limited, for the first time after its consolidation, with our other Group Companies and divisions. The Company now offers both software and BPO services under one single umbrella.

Consolidated revenues for the year ended 31 March 2009 was Rs 3001.47 million, while consolidated net profit stood at Rs 275.35 million. Basic earning per share (of Rs 5.00) as on 31 March 2009 was Rs 4.32. These figures cannot be compared with the previous year when we reported the results of the erstwhile Datamatics Technologies Limited (our BPO operations). To give you a perspective of the value created for you as investors, our revenue for year ended 31 March 2008 was Rs 1443.87 million, our net profit was Rs 91.94 million and the earning per share was Rs 2.26.

The past Financial year 2008-09 has been a challenging year due to the global economic situation. Since your

Company is primarily engaged in the export of Software and BPO services, and its markets are primarily U.S.A. and Europe, we have naturally been affected. There have been pricing and margin pressures. Clients have reduced IT spends and protectionism in some countries is growing. Despite these challenges, your Company has done well.

Some of the reasons for the good performance of the Company have been the merger of our Companies, which has reduced the common overhead expenses. We have rationalized our manpower. Our drive on increasing automation and increasing productivity has yielded results. Last but not the least, the weakening Rupee has helped. Our Six Sigma and Process improvement initiatives have yielded commendable financial benefits. Our Process Re-Engineering Cell continues to deliver innovative solutions, improving productivity, reducing errors and making the entire organization more efficient.

Besides our existing delivery centres in Mumbai, Chennai and Detroit, our newest Delivery Centre of Excellence in Nashik is maturing. The headcount as of 31 March 2009 in Nashik was 514.

Your Company has been engaged in R&D related to the design, development and marketing of Technology solutions for information and document processing for over 5 years. These solutions are based on Artificial Intelligence and have resulted in a suite of software, acronymed i-Q.

i-Q has been implemented in over 50 projects in our BPO business and has resulted in gains of both productivity and accuracy. These suite of programs have been launched as both, a product and service offering, worldwide. Our platform-based software developed with reusable components and agile processes used in our software export business complement i-Q. Customers have increasingly expressed their need to streamline the number of their development partners. In keeping with this need, our Company has begun developing and marketing end-to-end solutions.

As you are aware, our Company had won the Asia Pacific Quality Award, in 2007 in the services sector, and remains the only Company in India to have won this Award. I am pleased to inform you that our customers, both existing and new, have expressed a high level of satisfaction on the quality of our services, as well as the efficiency in your Company.

Quality is a key determinant in today's competitive world and it is quality that differentiates us from our competition.

I am certain that our initiatives in terms of technology, efficiency and quality will pay rich dividends going forward. The concerted action of all Governments around the world to overcome the world's economic conditions will yield results soon. I am confident that both exports and the domestic market will vigorously grow once again after we surmount the present economic problems that the world is witnessing. Your Company is well equipped in terms of all resources, Human, Technical and Financial to quickly address all growth opportunities in future.

Dr. Lalit S. Kanodia

Ph.D. MIT, USA | Chairman

Board of Directors



Left to Right: Vidur V. Bhogilal, Executive Director & CFO; R. K. Saraswat, Director; Shahzaad S. Dalal, Director; Dr. Lalit S. Kanodia, Chairman & Whole Time Director; Habil F. Khorakiwala, Director; Sudhir C. Deshpande, Director; Sameer L. Kanodia, Executive Director; Rahul L. Kanodia, Vice Chairman & CEO



“ The global economy is going through a churn. Such circumstances create an excellent opportunity for businesses to examine all their processes and make them more efficient. It also forces companies to improve the range and depth of their services to their customers.

We believe that much of our future growth will stem from innovation, wherein research and development will create valuable intellectual property that will meet our customers' increasing demand. The Company has already copyrighted and trademarked several such software products developed by it. We are also now in a position to seize greater market share and mindshare in several verticals and geographies, as we have completed the amalgamation exercise of our IT and BPO operations, which enables us to offer composite services.

Dr Lalit S. Kanodia, Chairman ”

“ Our approach has always been and will continue to be customer-centric with a clear objective of delivering value to all our stakeholders. We intend to add to our portfolio many more value-added, highly-effective solutions by leveraging technology and domain expertise across all lines of business. We will continue our focus on profitability and growth, and positioning Datamatics as a technology partner of choice for global customers with a high growth trajectory.

Rahul L. Kanodia, Vice Chairman & Chief Executive Officer ”



“ This has been an important year for the Datamatics Group. We took the significant step of consolidating our IT and BPO operations worldwide thereby strategically improving our market positioning. Amongst other benefits, this consolidation helped us in leveraging synergies, removing common overheads and more efficiently managing infrastructure, resulting in considerably improved financial performance. Also, our prudent forex management strategies based on the depreciating India rupee enhanced the bottom line. The Company will continue to focus on good corporate governance and is constantly striving to adopt the best practices.

Vidur V. Bhogilal, Executive Director & Chief Financial Officer ”

“ Datamatics' Delivery Centre of Excellence at Nashik has emerged as a significant element in the organization's growth strategy. We have developed core competence and reaped the benefits of economies of scale at the Centre. We have more than 55,000 square feet of office space at our disposal, which can accommodate more than 2,000 people under one roof. Our customers have consistently given projects delivered from the Centre very high ratings.

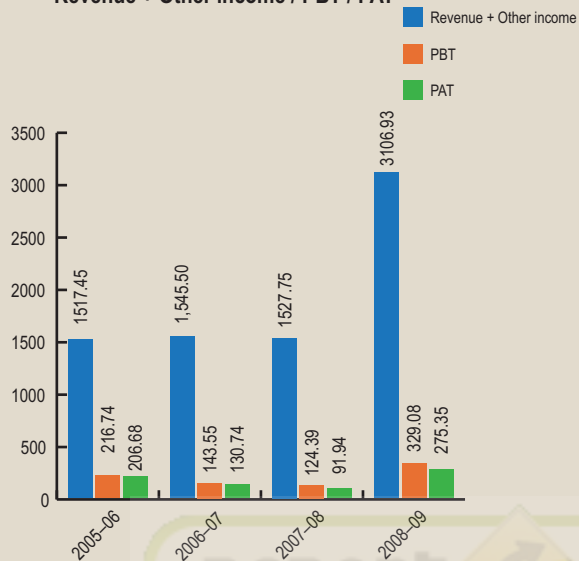
Sameer L. Kanodia, Executive Director ”



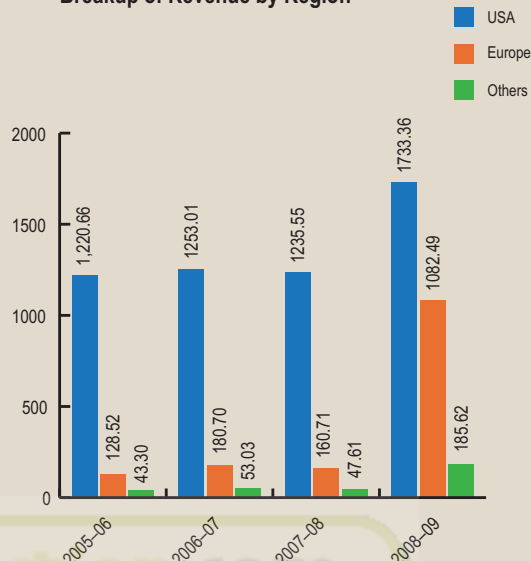
Financial Highlights

Consolidated

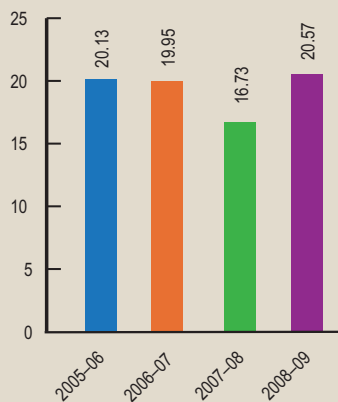
Revenue + Other income / PBT / PAT



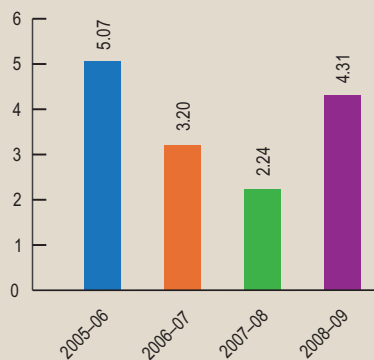
Breakup of Revenue by Region



Operating Profit as % to Operating Revenue

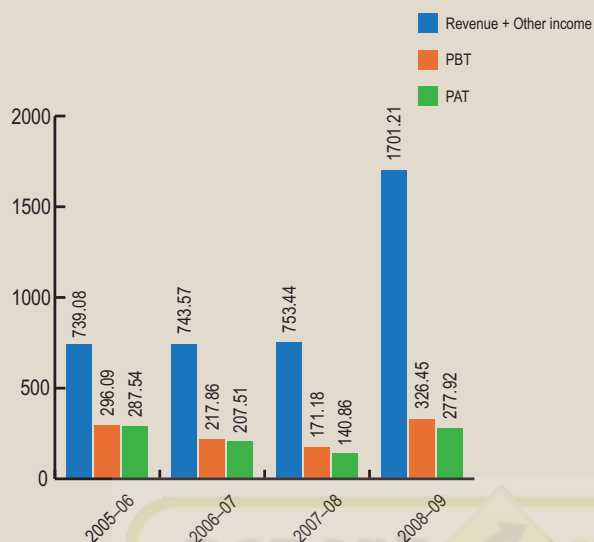


EPS (diluted)

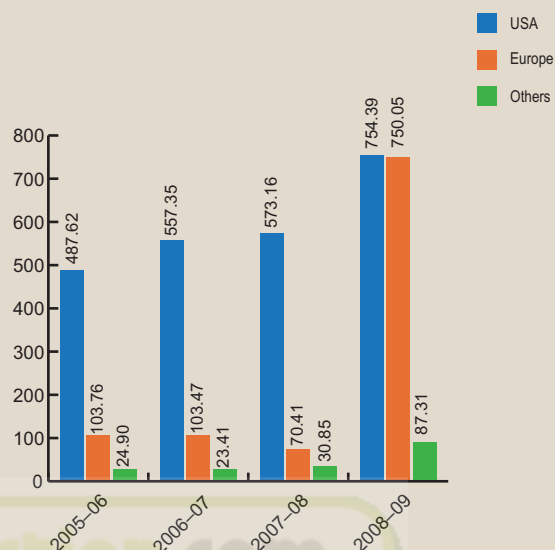


Standalone

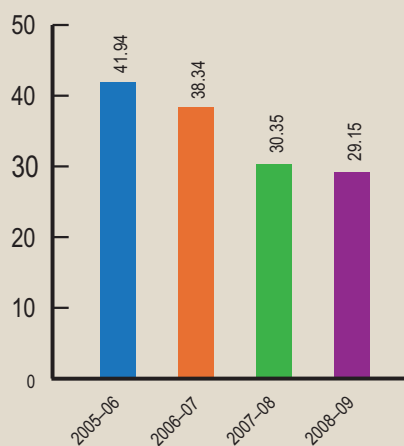
Revenue + Other income / PBT / PAT



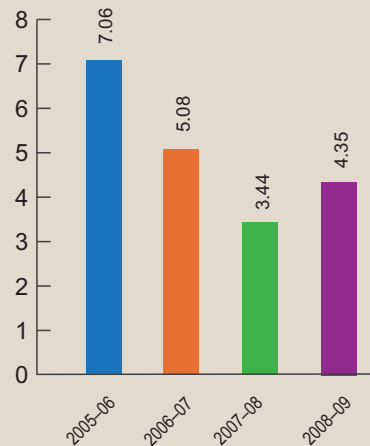
Breakup of Revenue by Region



Operating Profit as % to Operating Revenue



EPS (diluted)



Present Business

Who We Are

Datamatics Global Services Limited is a global provider of intelligent, value-driven technology and business solutions. These solutions span IT consulting, business process transformation, off-the-shelf technology solutions and customized software services. They leverage our Company's proven expertise in developing technology to drive business efficiency and productivity.

Product innovation, IP-creation and technology collaboration form the core of our Company's positioning as a 'one-stop-solution provider'. Our Company has built up strong teams of Business Analysts, Technology Architects, Delivery Experts, Quality Specialists and Marketing and Pre-sales Professionals. These teams are geared up to provide solutions that are based on technology platforms that deliver competitive advantage to our customers.

Solutions Driven by Artificial Intelligence

Our domain and technology experts have integrated Artificial intelligence (AI) into many of the solutions that our Company currently markets. For instance, AI has given i-Q®, our path-breaking, intelligent information processing solution, the capability to think like a human being, giving the software intelligence and intuition. Besides AI, i-Q® also conducts tree search and is capable of pattern recognition, automatic learning, displaying confidence level of information located, auto correction, and has Heuristics in hundreds of its components.

This success is being replicated across the organization, and solutions with similar features have already been launched during the past year: i-Mask®, i-Mark®, i-Cat™, i-Pub™ and i-Clinic™.

MobileServe™, a web-based application for developing surveys on handheld devices, has been tested and found to be highly-effective. Built on the latest technology, MobileServe™ gives

customers the power to conduct surveys using a range of mobile phones and PDA platforms.

Fulfilling Needs for Efficiency & Productivity

With customers increasingly demanding solutions to improve operational efficiency, faster go-to-market, higher employee productivity and maximized customer satisfaction, our Company has focused on developing solutions to meet these market needs. Dartanium™ and e-Payables Manager® are two such solutions. Dartanium™ is a high-productivity automation framework for web testing. Similarly, e-Payables Manager® is a configurable Web-based workflow system specifically configured to cater to various Accounts Payable Functions. It is widely used by our customers including many Fortune 100 companies. Its flexibility has helped many of our customers in their initiatives to bring automation, visibility and agility to their Accounts Payable process.

Our Company has emerged as a leader in niche areas like embedded engineering and telecommunications, having developed solutions for ticketing, toll and parking applications. Such solutions have components that help manage user profiles better, and systems to maintain inventory and issue tickets, smart cards and discount coupons, and to configure vehicle type, tariff and concessions, etc.

Customers worldwide have been reaping the benefits of the investments made by our Company and exhibit increasing interest in the areas of artificial intelligence and the development of technology solutions that drive business efficiency. Datamatics Global Services Limited is committed to its philosophy of delivering value through technology and will continue to focus on creating innovative technology solutions. We continue to be driven by our vision "To be a World Class Organization Admired for Consistently Delivering Superior Business Value".

Vision

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

Mission

*We will Win by
Excelling in Execution
and by Ensuring
Total Customer Satisfaction*

DIRECTORS' REPORT

Your Directors take pleasure in presenting the Twenty First Annual Report together with the Audited Accounts of your Company for the Financial Year ended March 31, 2009.

FINANCIAL RESULTS

Your Company's operating performance for the year ended March 31, 2009 as compared to the previous financial year ended March 31, 2008 is summarized below:

	(Rupees in Millions) Consolidated		(Rupees in Millions) Standalone	
	2008-09	2007-08	2008-09	2007-08
Gross Income	3106.93	1527.75	1701.21	753.44
Profit before tax	329.08	124.39	326.45	171.18
Less: Provision for Taxation	53.90	39.39	48.53	30.26
Profit after tax	275.18	91.99	277.91	140.91
Dividend on - Equity Shares (Including Dividend Tax)	0.03	—	0.03	—
Proposed Dividend on Equity Shares (Including Dividend Tax)				
Dividend Tax)	86.15	35.73	86.16	35.73
Dividend on - Preference Shares (Including Dividend Tax)	20.72	—	20.73	—
Balance brought forward from the previous year	18.75	12.53	287.82	232.68
Surplus carried to Balance Sheet including General Reserve	187.18	68.75	458.82	337.82

DIVIDEND

Your directors recommend final dividend of Rs. 1.25 per share to be appropriated from the profits of the financial year 2008-2009.

TRANSFER TO RESERVES

The Company has transferred Rs. 50 million to the General Reserve out of the amounts available for appropriations. An amount of Rs. 408.22 million is proposed to be retained in the Profit and Loss Account.

BUSINESS

During the year under review, on a standalone basis, your Company generated revenues including other income of Rs. 1701.21 million compared to previous year's revenue including other income of Rs. 753.44 million. The consolidated revenue including other income also increased to Rs. 3106.93 million compared to Rs. 1527.75 million in FY 2007-2008. The standalone profit after tax increased to Rs. 277.91 million against the previous years' profit after tax of Rs. 140.91 million. Similarly, the consolidated profits after tax have increased to Rs. 275.18 million showing growth of approximately 199.12% compared to last financial year. The overall increase in the standalone and consolidated revenues is primarily due to amalgamation of other companies in the Datamatics group as elaborated later in this report and also due to rupee depreciating against US dollar combined with prudent forex management by the Company.

DATAMATICS DELIVERY CENTRE OF EXCELLENCE, NASHIK

The success and capabilities of the Datamatics Delivery Centre of Excellence, Nashik, was underlined this year as it saw repeat business

and commendations from customers. The projects delivered from the Centre met 100% of their time and quality objectives, and were managed seamlessly by teams based at the Centre, Mumbai and Livonia, USA.

The Centre added another 19,000 square feet of space to its existing 36,000 square feet, taking the total seating capacity to nearly 1,500. During the year, it also received the ISO 27001 certification for meeting information security and management systems standards. The Company has contracted to purchase additional premises comprising of about 23,000 sq. ft area located adjoining the existing premises. Housed in "Suyojit Datamatics Knowledge Centre" on the Mumbai-Nashik highway, the Centre was first set up when Datamatics identified the potential of Nashik as a growing city with modern infrastructure. Nashik is strategically located, merely 180 kilometers or a 3-hour drive from Mumbai or Pune. Nashik has been an excellent choice, not only due to its proximity to Mumbai, but also due to the quality of its educational institutes and the availability of excellent infrastructure.

Your Company has been on a look out for purchase of land in Nashik, for Campus. Few options have been identified and your Company is optimistic about finalizing the property for Campus at Nashik.

INVESTMENT IN OVERSEAS SUBSIDIARIES

Your Company has business transactions across the Globe and has subsidiaries in USA - Datamatics Global Services Inc., in UK - Datamatics Technologies UK Limited & Datamatics Infotech Limited, in Germany - Datamatics Global Services GmbH, in Australia - Datamatics Global Services Pty Limited, in Mauritius - Datamatics Global Technologies

Limited, in Switzerland, Datamatics Global Technologies AG and in India - Datamatics Software Services Limited. The Indian subsidiary i.e. Datamatics Software Services Limited, primarily has domestic operations.

The Company has made investments worth Rs. 735,365,940 in its overseas subsidiaries. During the year under review, your Company infused initial capital of Rs. 2,524,875 in Datamatics Global Technologies Limited and Rs. 2,255,000 in Datamatics Global Technologies AG.

This year your Company's German operations improved. Revenues rose from 88.35 million to 167.48 million with a growth of 89% during the year under review.

The Company made profits of Rs. 6,765,273/- against previous year's loss of Rs. 13,601,954/- from its German operations. The Company's US operations also improved significantly this year.

MERGER

During the year under review, the following significant events took place amongst the Datamatics Group of Companies. The Scheme of Arrangement was sanctioned by the Hon'ble High Court of Judicature at Bombay vide Order dated December 12, 2008 comprising of various stages:

(A) Merger of Datamatics Limited (DL) group companies.

Pursuant to the Scheme of Arrangement, Sameer Microtronics Private Limited merged into Bellona Infotech Private Limited followed by merger of Bellona Infotech Private Limited into Datamatics Limited. Subsequently Datamatics Limited and Datamatics Intercon Limited merged with and into Datamatics Global Services Limited [Formerly known as Datamatics Technologies Limited]. The Appointed Date is April 01, 2008 and the Effective Date is December 29, 2008.

Key details of the said Merger are summarized as below:

Share Exchange Ratio	i. 1.21 Equity Shares of Rs. 5/- each of the Company for every 1 Equity Share of Rs. 10/- each of DL. ii. 1 Preference Share of Rs. 10/- each of the Company for every 1 Preference Share of Rs. 10/- each of DL. iii. 1 Preference Share of Rs. 10/- each of the Company for every 1 Preference Share of Rs. 10/- each of DL.
Record Date for issue of Equity Shares	January 25, 2009.

No. of new Equity & Preference Shares of the Company issued to the Members of DL.	i. 18,150,000 Equity Shares of Rs. 5/- each fully paid. ii. 1,400,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid (with fixed tenure). iii. 1,000,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid (without fixed tenure).
No. of new Preference Shares of the Company issued to the Preference Shareholders of DL.	2,700,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid (without fixed tenure).

(B) Merger of the Export Division[post merger] of Datamatics Software Services Limited (DSSL) with and into the Company

The Export Division of Datamatics Software Services Limited got de-merged from Datamatics Software Services Limited and the same was merged with and into the Company. The Demerger was sanctioned by the Hon'ble High Court of Judicature at Bombay vide Order dated December 12, 2008. The Appointed Date is April 01, 2008 and the Effective Date is December 29, 2008.

Key details of the said Demerger are summarized as below:

Share Exchange Ratio	1 Preference Share of Rs. 10/- each of the Company for every 1 Preference Share of Rs. 10/- each of Demerged DSSL.
No. of Preference Shares of the Company issued to the Preference Shareholders of Demerged DSSL.	i. 3,600,000 8% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid (without fixed tenure). ii. 11,950,000 9% Non-Cumulative Redeemable Preference Shares of Rs. 10/- each fully paid (without fixed tenure).

CHANGE IN THE NAME OF THE COMPANY

As a part of the aforementioned Scheme of Arrangement, the name of the Company was changed to Datamatics Global Services Limited with effect from January 17, 2009.

SUBSIDIARY COMPANIES

(A) Indian Subsidiaries

During the year under review, Datamatics Softworld Limited (DSL) (Indian subsidiary of the Company) along with Datamatics Software Solutions Limited (DSSOL) got merged with and into Demerged Datamatics Software Services Limited (Demerged DSSL).