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Tomorrow always has its  
beginning in today. What will  
happen tomorrow is being shaped  
by what is happening today.

Not everyone can envision tomorrow. Most can only watch what happens and many will wonder what happened. But there are a few who have that special vision to glimpse tomorrow's world amidst the complex interplay of today's events. Unlike those who watch and wonder what happened, they make it happen!

There was one such person who left us last year, but not before touching our lives and having a profound impact on the world. By making technology easier and simpler, and experience more elegant and delightful, he changed the world forever. Surprisingly, he never invented anything or wrote any software. What he was passionate about was solutions – solutions that built a bridge between today and tomorrow, connecting technology with application, a bridge over which the present generation advanced into the next. He created next generation solutions.

At Datamatics, Steve Jobs' life and journey continues to motivate and inspire us in our quest to make tomorrow, a better tomorrow – through our next generation solutions.



# Chairman's Message

*"Innovation has nothing to do with how many R&D dollars you spend. When Apple came up with the Mac, IBM was spending at least 100 times more on R&D. It's not about money. It's about the people you have, how you're led, and how much you get it."*

*– Fortune, November 9, 1998*

Dear Shareholders,

It is my pleasure and privilege to present your Company's Annual Report for what has been a truly exceptional and exciting year – 2011 - 2012. The Company performed exceedingly well, and recorded its highest profits ever. What makes this performance stand out is that it was achieved when the business environment was challenging. The year was marked by strong global headwinds in the form of the Eurozone crisis, earthquake followed by tsunami in Japan and slowdown of growth in India.

We are today living in a world that is constantly changing. With more than half of the world's population, Asia is emerging as the new economic growth centre where China and India continue to drive the engine of growth. It is estimated that by 2050, India will become the top economy in the world, overtaking China.

Africa is another region that is going through a virtuous cycle of growth and development, and creating healthy competition for Asia. Countries like Ghana, Ethiopia, Congo, Zimbabwe, Mozambique and Angola all grew faster than India in 2011.



The IT space is also changing. Innovation in technology is creating new products and solutions that are re-writing the very definition of data, content and content consumption. Devices like smartphones and tablets enabled with mobile internet and cloud computing are displacing the old consumption patterns. Today, consumers' demand ANYTHING, ANYTIME, ANYWHERE. This change is driving new business models and creating exciting opportunities for growth. The Indian software industry is estimated to surpass US \$ 220 billion by 2020. Companies that are agile, lean and swift will capitalise on this innovation-led growth and next generation solutions.

At Datamatics, we have always focussed and delivered NEXT GENERATION SOLUTIONS to our clients. During the year, we acquired and integrated two companies, viz. CIGNEX and VISTA. It was precisely our next generation solutions approach and philosophy, backed by our acquisition of CIGNEX and VISTA, that resulted in an excellent financial performance for the Company during the year.

On a consolidated basis :

- Our Net Sales grew from ₹ 2753.23 million in 2010 - 2011 to ₹ 4418.92 million in 2011 - 2012, indicating an increase of 60.50%.
- Our EBIDTA increased from ₹ 316.95 million in 2011 - 2012 to ₹ 506.74 million in 2011 - 2012, indicating an increase of 59.88%.
- Our PAT went up from ₹ 207.99 million in 2010 - 2011 to ₹ 282.54 million in 2011 - 2012, an impressive 35.84 % increase, despite a steep increase in taxes.

During the year, our 55,000 sq.ft. Nashik office was completely refurbished and today we have an impressive 16 bedroom guest house. Our headcount at Nashik has crossed over 1000. The Puducherry Centre of Excellence, the 6th such Centre of Excellence for Datamatics in India and 3rd in South India, was inaugurated in the month of April 2012. It already has over 225 employees.

As we go forward, we are confident of continuing the momentum. We truly believe that growth is not an accident, but comes from a well-thought out strategy and passionate leadership. Our leadership team is keenly scouting for more acquisitions to power our inorganic growth in the IT and KPO spaces. We have sufficient resources earmarked to fund these acquisitions. We are also planning more delivery centres in Tier-II cities to power our organic growth.

The future is exciting and promising. The future will belong to organisations that can envision tomorrow and innovate its products and services ahead of the curve. At DATAMATICS, we have the required experience and expertise, people and leadership, to take us into the future. More than anything else, we have something that is rarer – vision. VISION to deliver NEXT GENERATION SOLUTIONS!!

My sincere gratitude to all our people, our partners, our investors and our customers – THANK YOU for your trust and belief in DATAMATICS.

Look forward to a more rewarding 2012!

Yours faithfully,

**Dr. Lalit S. Kanodia** (Ph.D., M.I.T.)  
**Chairman**

# Many firsts

## First in quality

Throughout our iconic journey of 36 years,  
DATAMATICS has many FIRSTS to its credit :



# First in Quality

DATAMATICS has always been at the forefront in delivering quality. QUALITY FIRST and FOREMOST. And it is this persistence with quality that has consistently won DATAMATICS innumerable awards and recognition over the years.

- Featured amongst the Global Top 10 Mid-Tier Industry Specific BPO Service Providers in the Global Services 100 list for two consecutive years - 2011 and 2010.
- Ranked amongst the top 20 leaders in financial services (Insurance, Banking & Markets) by International Association of Outsourcing Professionals (IAOP) in 2011.
- CIGNEX DATAMATICS recognised for its contribution to the ICT industry in the state of Gujarat for second year running.
- 1st Runner up for designing and developing Channel Partner Bill Processing System at the 'CSI 2011 Awards for Excellence in IT 2011'.
- Proud recipient of Global HR Strategy Award & HR Leadership Award at Asia's Best Employer Brand Awards 2010.
- Received HR Super Achiever Award at Asia Pacific HRM Congress in 2009.
- First Indian Company to have won the International Asia Pacific Quality Award in the Services Category in 2007.
- 'The Black Book of Outsourcing' ranked Datamatics third amongst document process outsourcing providers globally in 2007 and Top 50 Managed Outsourced Vendors in 2006.





# Next Generation Solutions

There is INFORMATION, and there is TECHNOLOGY. On their own, both of them have a separate and mutually exclusive existence. This is how it has been through ages; every age has had its share of information and technology. But what distinguishes our age is the coming together of INFORMATION and TECHNOLOGY to form such a potent and powerful union that it has changed the face of our world forever. INFORMATION TECHNOLOGY unleashed a revolution that has catapulted our generation into the future – the next generation.

At the heart of all INFORMATION are two very basic elements – data and content. It is TECHNOLOGY that transforms this raw data and content into useful information, powerful knowledge and then, lasting wisdom. This requires a special kind of fore-sight, fore-thought, and a special kind of vision to assimilate today's information and technology into the next generation solutions.

At DATAMATICS, this is exactly what we have been doing since inception. DATAMATICS was amongst the first few IT companies to be founded in India through the vision of Dr. Lalit S. Kanodia, one of the pioneers of the IT revolution in India.

DATAMATICS has been a specialist in DATA and CONTENT management solutions. We help our customers manage their information and information systems efficiently and provide deeper insight into the information for decision support activities.

As technology advanced, as data became more extensive, and content more complex, at DATAMATICS, we developed and delivered next generation solutions to help our customers surge forward with the changing times.

**Nashik**



**Germany**







2 billion people on the web and rising  
250 billion emails are sent everyday



15 petabytes of new information is created every day, doubling every 18 months



Bosnia



30 billion pieces of content is added to Facebook every month



Mumbai



74% of internet users use social networking websites and consume 22% of online time

DATAMATICS today has :

- Over 300 International clients, which include a large number of Fortune 500 companies.
- Successfully executed more than 5000 projects in 60 countries.
- 32 offices in 10 countries, which include India, US, UK, Germany, Switzerland, Sweden, Bosnia, Australia, Singapore and Mauritius.

DATAMATICS next generation solutions span across many industries which include Banking & Finance, Insurance, Publishing, Manufacturing, Online Retail, Research, etc. The Company's varied processes transcend across Finance & Accounting, Services, Information Management, IT Services, Portal Management, Publishing Solutions, Analytics, Engineering & Embedded solutions, Billing & Payment solutions, eRetail Solutions, etc.

Over the years, DATAMATICS has been growing organically as well as inorganically.

During the previous year, DATAMATICS acquired two companies—CIGNEX (USA) and VISTA (India). CIGNEX, a world leader in open source space, adds open source domain expertise to our business and gives us a stronger foothold in the enterprise content management and document management space. With VISTA, we have been able to increase our focus on Engineering & Embedded space, which is a rapidly growing market and also strengthen our Indian operations.

We have successfully integrated operations and work-cultures of both these companies with the DATAMATICS next generation solutions approach. Backed by these acquisitions, and our organic growth, the Company's net sales increased by 60.5% from ₹ 2753.23 million for FY11 to ₹ 4418.92 million for FY12. DATAMATICS is looking at acquiring more companies in the IT & KPO space in the current year.

At DATAMATICS, we continue our iconic journey with a newer zeal and stronger drive but with the same vision – to deliver **Next Generation Solutions.**

# Datamatics today... and tomorrow

## Today...

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

At DATAMATICS today, we have our next generation solutions which are specialised and niche. We provide dedicated and focussed solutions in niche categories and markets that address a collective large market opportunity. At DATAMATICS, our next generation solutions encompass :

