

ANNUAL REPORT  
2019-20

# DATAMATICS

FOR THE NEW WORLD

ROBOTICS | INTELLIGENT AUTOMATION | DIGITAL FINANCE  
DIGITAL WORKPLACE | CLOUD | ENTERPRISE APPLICATION MANAGEMENT  
DIGITAL EXPERIENCE | DIGITAL CONTENT MANAGEMENT  
CUSTOMER MANAGEMENT | AUTOMATED FARE COLLECTION

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Datamatics provides intelligent solutions for data-driven businesses to increase productivity and enhance the customer experience. With a complete digital approach, Datamatics portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics all powered by Artificial Intelligence. It has established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection. Datamatics services global customers across Banking, Financial Services, Insurance, Healthcare, Manufacturing, International Organizations, and Media & Publishing. The Company has presence across 4 continents with major delivery centers in the USA, Europe, India, and Philippines.

### CONSOLIDATED REVENUE (₹ in Million)

# 12,033.2

↑ 6.2%

### EBITDA (₹ in Million)

# 1,235.7

↓ 7.7%

### WORLDWIDE Significant Customers

# 200+

### OFFICES in Countries

# 6

### GLOBAL DELIVERY CENTERS in Regions

# 4



# DATAMATICS FOR THE NEW WORLD.

The new era of digital technologies is changing the world rapidly, and so is Datamatics. As the world is evolving towards an integrated, data-driven society and digital-first economies are reshaping business models and value creation paradigms, we at Datamatics see a larger role for ourselves in the markets in which we operate.

Our digital solutions like Robotics, Intelligent Automation, Digital Finance, Digital Workplace, and Cloud help our customers increase enterprise productivity. While, solutions such as Customer

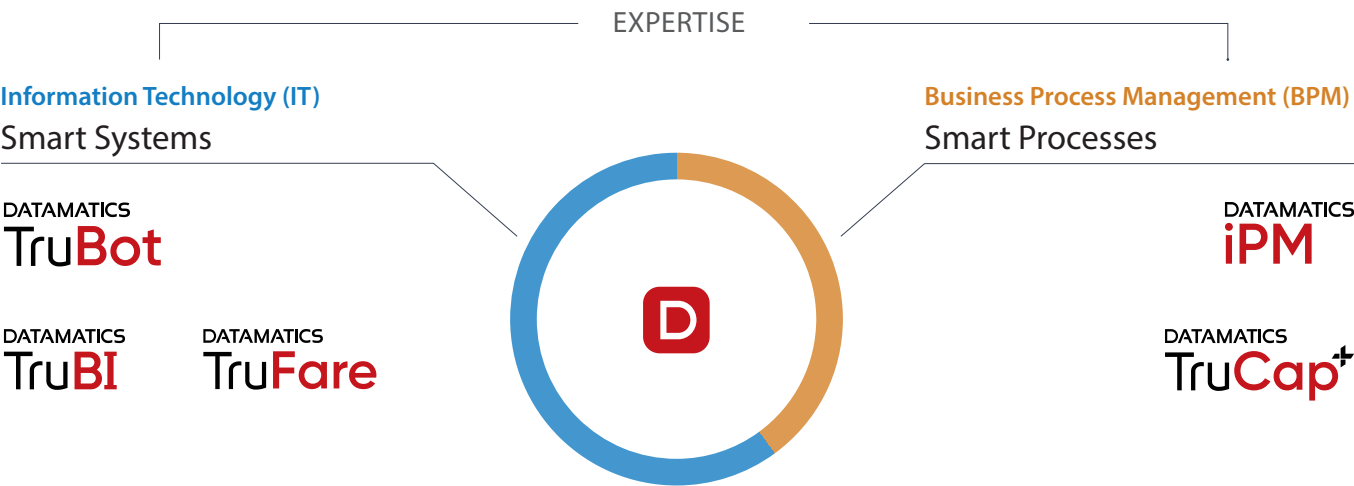
Management, Digital Experience, and Digital Content Management help the customers build deeper customer relationships.

As our customers adopt digital technologies to drive their businesses in the coming times, we are well positioned to implement Digital Technologies for our customers. It provides us an excellent opportunity to partner with them in implementing digital transformation solutions that would ensure business continuity for our customers and enable them to remain competitive.

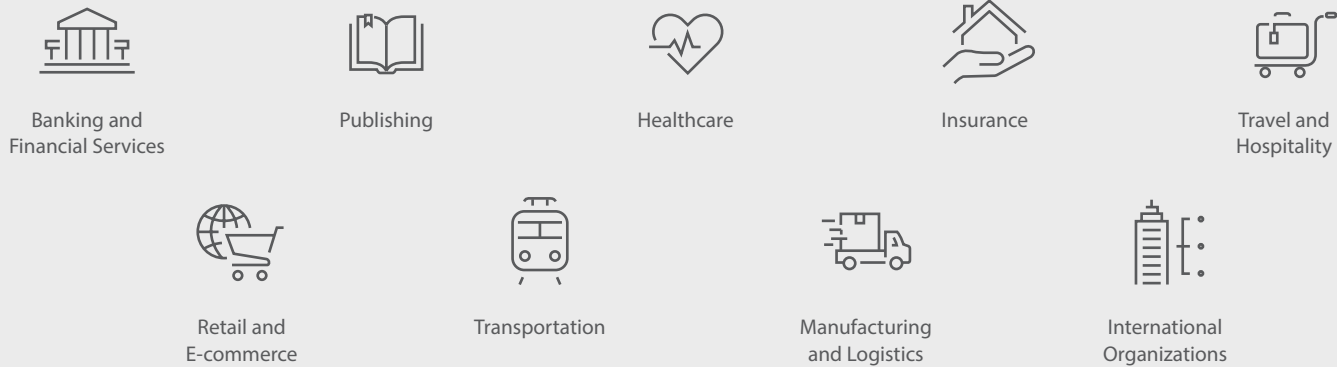
# At a Glance

## What we do

We build intelligent solutions for data-driven businesses to enhance their productivity and customer experience.

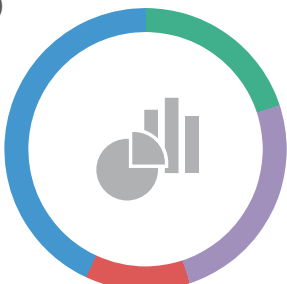


### Transforming businesses across industries



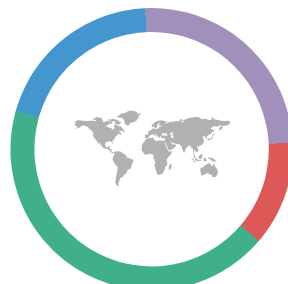
### Top three revenue contributors by industry (%)

Banking and Financial Services	- 28
Publishing	- 26
Manufacturing	- 9
Others	- 37



### Top three revenue contributors by region (%)

USA	- 57
India	- 19
Europe	- 16
Others	- 08





## Strategic Focus

### Strengthening digital solutions footprint Strategic Focus

We deliver a comprehensive suite of innovative services and solutions to customers including Fortune 500 companies for managing their end-to-end Application Life Cycle and Business Critical Processes.

Our stellar brand reputation in the market and strong foothold in the IT and ITeS space, along with a three-decade long legacy of delivering solutions tailored to client requirements have helped us create sustainable value for all our stakeholders.

We have identified the following strategic priorities to drive robust revenue growth and margin improvements going forward:



Digital Solutions – Robotic Process Automation, mobility, cloud, analytics



Focus on products and platforms



Establish partner and reseller channels



Automated Fare Collection opportunity



Increase account penetration



Invest in marketing and branding



Business continuity in times of COVID-19

#### Strategic Priorities



In FY 2019-20, we made significant investments in strengthening our digital footprint, and are now uniquely positioned to implement digital technologies such as Robotic Process Automation, Digital Experiences, Analytics, Cloud and Artificial Intelligence for our customers. We are focusing on deepening our account penetration with our customers, which include Fortune 500 companies, by cross-selling and up-selling through integrated sales and marketing efforts.

Our products and platforms, such as TruBot in Robotic Process Automation, TruCap+ in intelligent data capture, iPM in end-to-end workflow management, TruBI in business intelligence and data visualization, and TruFare in Automated Fare Collection, are gaining good traction.

As part of our product strategy, we are aggressively investing in expanding our partner network to increase the sales momentum

and ensure smooth implementation and support for our IP products globally. We are also investing in marketing and branding efforts to increase visibility and geographic reach.

Automated Fare Collection (AFC) has been one of our key focus areas. We see this as a huge opportunity in emerging economies around the world, including India. We are also actively pursuing US market and have won the AFC contract for Memphis Area Transit Authority (MATA), the public transportation provider for the Memphis area, USA in 2019.

In the wake of COVID-19 crisis, Datamatics priorities include focusing on employee well-being, servicing and retaining our customers and tightly managing our cash-flows. Team Datamatics has done exceedingly well in managing on all the three fronts in the face of the current crisis. Also, with a diversified customer base across industries, we believe, Datamatics is better prepared to face the challenge.

# Business Overview

## Transform To Perform

In an ever-changing business scenario that demands doing more with less, managing processes that improve enterprise outcomes and agility are business imperatives.

Datamatics is a global Technology, BPM and Digital Solutions company providing intelligent solutions for data-driven businesses. With a complete digital approach, Datamatics portfolio spans across Information Technology Services, Business Process Management, Engineering Services and Big Data & Analytics all powered by Artificial Intelligence. It has established products in Robotic Process Automation, Intelligent Document Processing, Business Intelligence and Automated Fare Collection.



### IT SOLUTIONS

**Application Management Services**

**Digital Solutions**

- Robotic Process Automation (RPA)
- Digital Experience
- Cloud Solutions

**Automated Fare Collection (AFC)**

The worldwide IT spending is expected to total US\$ 3.4 trillion in 2020, a decline of 8% from 2019, mainly due to impact of COVID-19. As the pandemic continues to spur remote working, public cloud services, which is applicable into multiple categories, is expected to be a bright spot growing at 19% in 2020, as per Gartner .

Datamatics is well positioned to implement digital technologies such as Robotic Process Automation, Mobility, Analytics, Cloud and Artificial Intelligence (AI) for its customers. Datamatics with its experience and expertise has carved out a niche for itself towards becoming a strategic partner to its valued customers and offering intelligent solutions.

IT Solutions: FY 2019-20 performance highlights

REVENUE ₹ in million)	GROWTH Y-O-Y (in %)	REVENUE CONTRIBUTION (in %)	EBITDA MARGIN (in %)	REPEAT BUSINESS (in %)
7,071	8.8	59	11.1	91



## BUSINESS PROCESS MANAGEMENT

### Financial Transaction Processing

### Content Management and Publishing

### Customer Management

The global IT-BPM market is expected to touch US\$ 221-\$ 226 billion in 2020, growing at 4%-6%, the slowest in the last five years, exacerbated by slowdown due to the COVID-19 outbreak. India, which accounts for 40%-45% share of IT –BPM, is expected to see progress, albeit at a slower rate, weighed down by the COVID-19 impact, lower growth forecasts, tight credit policies, and slow economic reform. United States continues to remain biggest market for BPM.

Our BPM offerings help organizations drive cultural change through digitization and automation, providing tangible benefits to enterprises in terms of higher process efficiency, increased compliance, complete transparency, shorter time-to-market, and customer delight. We are seeing specific opportunities in the process automation and dynamic content management areas.



### BPM: FY 2019-20 performance highlights

REVENUE (₹ in million)	GROWTH Y-O-Y (in %)	REVENUE CONTRIBUTION (in %)	EBITDA MARGIN (in %)	REPEAT BUSINESS (in %)
4,962	2.6	41	9.1	94



## ROBOTIC PROCESS AUTOMATION (RPA)

Datamatics TruBot is an enterprise grade, multi-skilled bot programmed to enhance enterprise's productivity. It automates a range of simple as well as complex processes. With TruBot Designer, a business user with no programming knowledge, can design bots with ease. Also, with TruBot Cockpit entire bot workforce deployed across the enterprise can be managed centrally.

TruBot also comes with an intelligent data capture solution, TruCap+ which has integrated artificial intelligence (AI) & fuzzy logic and captures meaningful data from unstructured documents. In addition with TruBot Neuro, bots get reasoning capabilities enabling them to handle complex transactions which are generally reliant on human expertise and intervention.



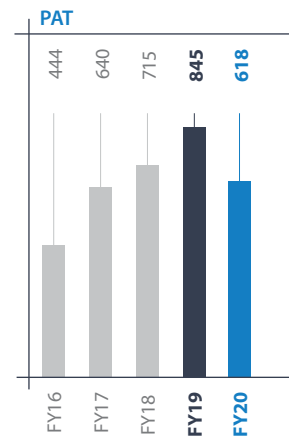
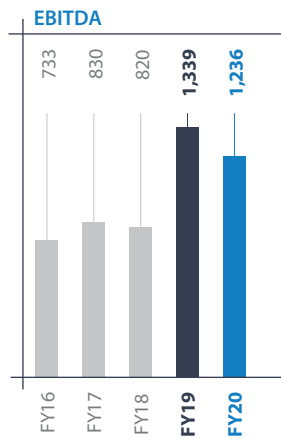
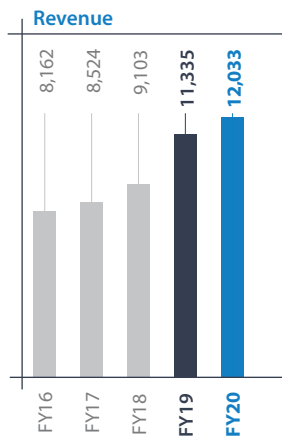
### Robotic Process Automation (RPA)

ACTIVE TRUBOTS	PROCESS AUTOMATED	CUSTOMERS GLOBALLY	TRUBOT EXPERTS	DOCUMENTS PROCESSED THROUGH TRUCAP+ (in Mn)
4000+	1000+	100+	300+	300+

# Key Performance Indicators

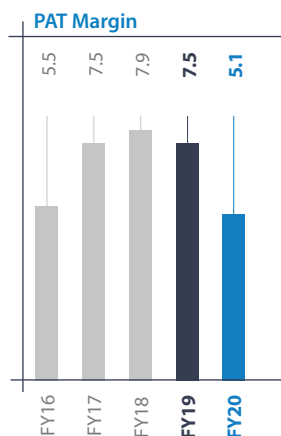
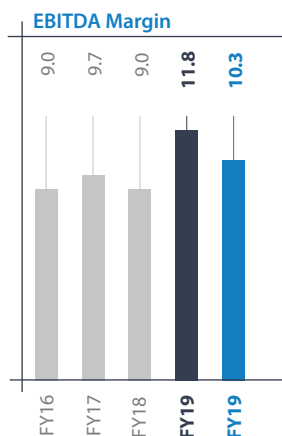
## Robust revenues, stable margins

Steady growth over the past five years (₹ in million)



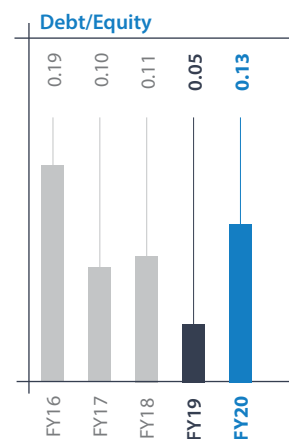
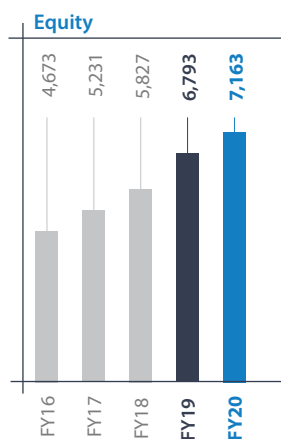
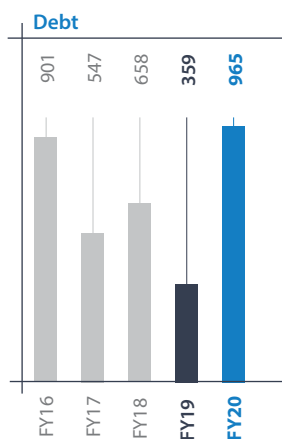
Note: EBITDA excluding Other Income  
PAT before Non-controlling Interest

Stable margins (in %)



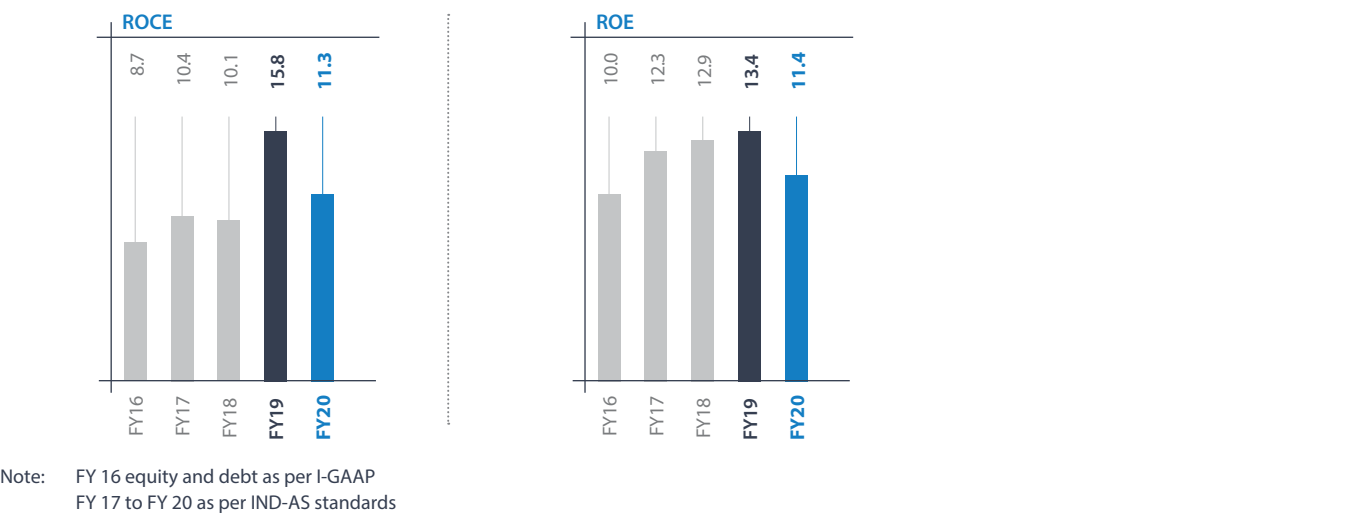
Note: EBITDA excluding Other Income  
PAT before Non-controlling Interest

Healthy balance sheet (₹ in million)

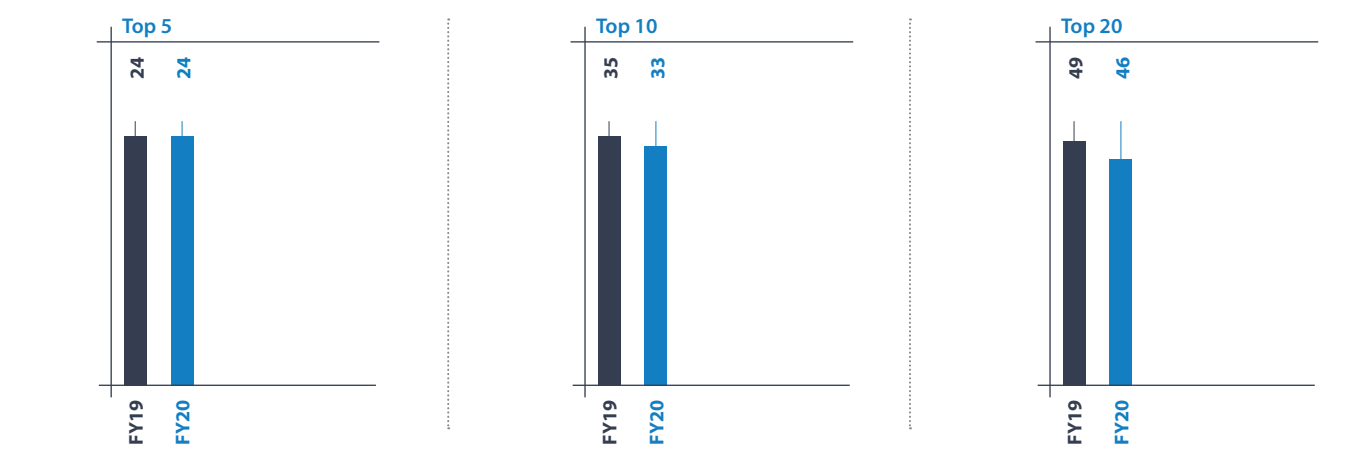


Note: FY 16 equity and debt as per I-GAAP  
FY 17 to FY 20 as per IND-AS standards

Improving return ratios (in %)



Client concentration (in %)





## Chairman's Message



**Dr. Lalit S. Kanodia**

Founder and Chairman

Dear Shareholders,

We are continuing to steer a careful path in keeping with the changing demands, caused by challenging times.

*Paraphrasing the writings of Charles Dickens in "A Tale of Two Cities":*

*This is the best of times. This is the worst of times.*

*This is the age of opportunity and the age of unforeseen disaster.*

*This is simultaneously the age of hope and the age of despair.*

First, let me dwell why this is the best of times.

The world continues to adopt Digital Technologies at an increasingly rapid pace. Both Governments and business enterprises are leveraging Digital Technologies, like never before, to increase their efficiency and provide better and more responsive services to all their stakeholders.

Advances in Artificial Intelligence, Machine Learning and Robotic Process Automation have added fuel to the worldwide growth of Digital Technology. Artificial Intelligence relates to machines behaving more and more like human beings. This encompasses the study of how we humans make decisions, and examines whether this can be encoded. It includes a confluence of pattern recognition, probability theory, heuristics and machine learning. This is opening up entirely new vistas for all of us. Personally, I believe this will increase

global opportunities and employment for all, in both the medium and long term, just as the Industrial Revolution resulted in increased employment and greater human welfare.

There is great pressure on all organizations to increase their efficiency to remain competitive, thereby fueling the demand for Software Products and Services. In brief, they are now driven by the maxim "Produce More For Less". Software Product Companies thus continued to be valued highly, as measured by their Market Cap.

On the flip side, we are confronted with two counter pressures.

The COVID-19 Pandemic has turned the world upside down and has confronted us with the biggest disruption and challenge since World War II.

Due to this pandemic, the universal expectation is that the world's GDP will shrink by about 10% in a year. This has caused pricing pressures worldwide, when customers are demanding more services at lower prices.

Also due to increasing unemployment in most countries, and in particular in the USA, there is increasing pressure on all Governments around the world to reduce or even eliminate Work Visas and to abstain from importing, both products and services. Fortunately, this has relatively a lower impact on the procurement of overseas Intellectual Property and Knowhow.