

# Datamatics Global Services Limited

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CIN : L72200MH1987PLC045205  
www.datamatics.com



November 13, 2019

The Manager,  
Listing Department,  
BSE Limited,  
Phiroze Jeejeebhoy Tower, Dalal Street,  
Mumbai - 400 001.  
BSE Scrip Code : 532528

The Manager,  
Listing Department,  
National Stock Exchange of India Ltd.  
Exchange Plaza, 5 Floor, Plot C/1, G Block  
Bandra - Kurla Complex, Bandra (E)  
Mumbai 400 051.  
NSE Symbol: DATAMATICS

Dear Sir / Madam,

**Sub:** Disclosures under Regulation 30 and Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

**Ref:** Scheme of Amalgamation by way of an absorption is presented under Section 232 read with Section 230 and other applicable provisions of the Companies Act, 2013 and the rules and regulations made thereunder, for amalgamation and vesting of Datamatics Digital Limited ("DDL" or "Transferor Company") with and into Datamatics Global Services Limited ("DGSL" or "Transferee Company") ("Scheme").

Pursuant to Regulation 30 read with Schedule III and Regulation 37 of the Listing Regulations, we wish to inform the stock exchanges that the Board of Directors of DGSL ("Board") at its board meeting held today i.e. November 13, 2019 has, inter alia, approved the draft Scheme.

The Scheme, inter alia, provides for the following:

- (i) Amalgamation and vesting of DDL with and into DGSL.
- (ii) The Scheme has an Appointed Date of June 1, 2019; and

Post effectiveness of the Scheme:

- (iii) No equity shares to be issued by DGSL to the shareholders of DDL as entire share capital of DDL is held by DGSL itself;

Pursuant to para 6 of Regulation 37 of the Listing Regulations and SEBI Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018, read with Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circulars"), above Scheme is required to be filled with the stock exchanges for the purposes of disclosures; however, no specific approval for the Scheme would be required since this Scheme provides for amalgamation of wholly owned subsidiary with the Company, being the 100% holding company of DDL.



Continuation

Further, the above Scheme is subject to necessary approvals by the shareholders and creditors of DGSL, as may be applicable, National Company Law Tribunal, Mumbai Bench and such other statutory and regulatory authorities as may be required.

The Scheme as approved by the Board would be available on the website of DGSL at [www.datamatics.com](http://www.datamatics.com) post disclosure as above to the stock exchanges.

In terms of the Listing Regulations read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9 September, 2015, we are furnishing herewith the details of the Scheme as Annexure I.

Thanking you,  
Yours faithfully,

For Datamatics Global Services Limited



**Divya Kumat**  
EVP, Chief Legal Officer & Company Secretary



**Annexure I - Amalgamation / Merger (as Part II of the Scheme)**

<p>a) Name of the entity(ies), forming part of the amalgamation details in brief such as size, turnover etc.;</p>	<p>1. <u>Datamatics Global Services Limited ("DGSL" or "Transferee Company"):</u></p> <p>2.</p> <table border="1" data-bbox="660 533 1370 797"> <thead> <tr> <th rowspan="2"><u>Particulars</u></th> <th colspan="2"><u>Amount in Crores as on March 31, 2019</u></th> </tr> <tr> <th><u>Standalone</u></th> <th><u>Consolidated</u></th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td align="right">579.50</td> <td align="right">866.74</td> </tr> <tr> <td>Networth</td> <td align="right">476.56</td> <td align="right">679.32</td> </tr> <tr> <td>Total Income</td> <td align="right">396.32</td> <td align="right">1,144.30</td> </tr> </tbody> </table> <p>3. <u>Datamatics Digital Limited ("DDL" or "Transferor Company") -</u></p> <table border="1" data-bbox="655 920 1370 1155"> <thead> <tr> <th rowspan="2"><u>Particulars</u></th> <th colspan="2"><u>Amount in Crores as on March 31, 2019</u></th> </tr> <tr> <th><u>Standalone</u></th> <th><u>Consolidated</u></th> </tr> </thead> <tbody> <tr> <td>Total Assets</td> <td align="right">29.98</td> <td align="right">36.34</td> </tr> <tr> <td>Networth</td> <td align="right">25.73</td> <td align="right">28.22</td> </tr> <tr> <td>Total Income</td> <td align="right">51.84</td> <td align="right">60.99</td> </tr> </tbody> </table>	<u>Particulars</u>	<u>Amount in Crores as on March 31, 2019</u>		<u>Standalone</u>	<u>Consolidated</u>	Total Assets	579.50	866.74	Networth	476.56	679.32	Total Income	396.32	1,144.30	<u>Particulars</u>	<u>Amount in Crores as on March 31, 2019</u>		<u>Standalone</u>	<u>Consolidated</u>	Total Assets	29.98	36.34	Networth	25.73	28.22	Total Income	51.84	60.99
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<p>b) Whether the transaction would fall within related party transaction? If yes, whether the same is done at "arms' length".</p>	<p>It is envisaged to merge DDL with and into DGSL. DGSL holds entire share capital of DDL. Hence, the same would fall under the ambit of related party transaction.</p> <p>Upon merger becoming effective, no shares would be issued by DGSL as entire share capital of DDL is held by DGSL. The company have obtained a valuation report from an independent chartered accountant.</p>																												
<p>c) Area of the business of the entity(ies)</p>	<p>1. <u>DDL</u> It is, inter-alia, engaged in the business of software development services in India and overseas.</p> <p>2. <u>DGSL:</u> DGSL, listed on the BSE and NSE, is a technology company that builds intelligent solutions enabling data-driven businesses to digitally transform themselves through Robotics, Artificial Intelligence, Cloud, Mobility and Advanced Analytics.</p>																												



d) Rationale for Scheme	<p>DGSL and DDL belongs to same group of companies viz. DGSL Group. DGSL owns entire share capital of DDL.</p> <p>DDL is engaged in the business which is complimentary to the business of DGSL and amalgamation of DDL with and into DGSL would benefit DGSL in expansion of its current business with reduction in administrative costs in addition to consolidation and simplification of DGSL Group structure.</p> <p>Management of DGSL and DDL believe that the amalgamation of DDL with and into DGSL would benefit DGSL Group and its shareholders and stakeholders as under:</p> <ul style="list-style-type: none"> <li>i. Reduction in the management overlaps due to operation of the multiple entities and more focused leadership;</li> <li>ii. Reduction in multiplicity of legal and regulatory compliances, reduction in overheads, including administrative, managerial and other costs amongst all;</li> <li>iii. Synergy benefits, such as, competitive edge, enhancement of net-worth of the combined business to capitalize on future growth potential, which would in turn significantly help in efficient utilization of financial and operational resources and facilities of DDL;</li> <li>iv. Consolidating and streamlining the financial and operational resources for a better and more efficient usage as the integration would result in greater financial strength and flexibility for DGSL, which would result in maximizing overall shareholder value, and will improve the competitive position of the combined entity;</li> <li>v. Consolidation and simplification of DGSL Group structure and reduction of administrative costs at DGSL Group level;</li> </ul> <p>The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of DDL and DGSL respectively. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of DDL and DGSL respectively.</p>
e) In case of cash consideration - amount or otherwise share exchange ratio	The Scheme does not involve payment of any cash consideration
f) Brief details of change in shareholding of listed entity	There is no change in the shareholding of DGSL. No shares are issued as consideration since entire share capital of DDL is held by DGSL.

