

November 24, 2020

To,

Corporate Communication Department

BSE Limited

Phiroze Jeejeeboy Towers

Dalal Street, Mumbai – 400 001

BSE Scrip Code: 532528

Listing Department

National Stock Exchange of India Limited

Exchange Plaza, Bandra Kurla Complex,

Bandra (East) Mumbai 400 051.

NSE Code: DATAMATICS

Sub: Intimation under Regulation 30 of SEBI (LODR) Regulation, 2015 - Divestment of shares held by Datamatics Global Technologies Limited, Mauritius (DGTL) in CIGNEX Datamatics, Inc., Step-down subsidiary.

Dear Sir/Madam,

This is to inform you that, the Board of Directors of Datamatics Global Services Limited (“the Company”) at its Meeting held on November 24th, 2020, has approved, to dispose off the entire stake which is indirectly held by the Company in its Step Down and Material Foreign Subsidiary, namely CIGNEX Datamatics, Inc. (**CIGNEX US**), a corporation headquartered in the USA by way of divestment through stock redemption agreement entered into by and between Cignex US and Datamatics Global Technologies Limited, Mauritius (**DGTL**), subject to approval of the shareholders and all concerned statutory and regulatory authorities, as may be necessary. This is further to inform that with this transaction, the earlier deal with Relevance Lab stands terminated.

It is clarified that DGTL is a wholly owned subsidiary of the Company and DGTL in turn holds 62.51% stake in CIGNEX US.

CIGNEX US in turn is a holding Company of (i) Cignex Datamatics Technologies Limited, India; (ii) Cignex Datamatics Pte. Ltd, Singapore; (iii) Cignex Datamatics GmbH, Germany; and (iv) Cignex Datamatics UK Ltd, UK. However, Cignex Datamatics GmbH, Germany and Cignex Datamatics UK Ltd, UK are under liquidation.

Subject to receipt of approval of the shareholders and all concerned statutory and regulatory authorities, the entire stake held by DGTL in CIGNEX US will be divested through a stock redemption arrangement and as a result, CIGNEX US and the subsidiaries of CIGNEX US shall cease to be step-down subsidiaries of the Company.

The details as required pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI Circular No. CIR/IR/CFD/CMD/4/2015 dated September 09, 2015, is annexed as “**Annexure-A**”.

Also, attached as “**Annexure – B**” is the Company’s Press Release in this regard. Request you to take note of the above.

For **Datamatics Global Services Limited**

Divya Kumat

EVP, Chief Legal Officer & Company Secretary

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Annexure – A

Sr. No.	Particulars	Details
1.	The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year.	<p>The turnover and net-worth of CIGNEX US, on a standalone basis is INR 1,381.60 Million and INR 366.03 million respectively, for the year ended 31 March 2020. CIGNEX US has 4 (four) subsidiaries, out of which 2 (two) subsidiaries are under liquidation. Including the said subsidiaries, the turnover and net worth of Cignex US on a consolidated basis is approximately INR 1,954.92 million and INR 854.83 million respectively for the year ended 31st March 2020.</p> <p>If measured on a standalone basis, CIGNEX US contributed to 11.48% of the total turnover of the Company and 3.29% of the net worth (Datamatics share) of the Company during the last financial year and if measured on a consolidated basis then, CIGNEX US contributed to 16.25% of the total turnover of the Company and 7.69% of the net worth (Datamatics share) of the Company for the year ended 31st March 2020.</p>
2.	Date on which the agreement for sale has been entered into.	Stock redemption agreement dated 24th November, 2020.
3.	The expected date of completion of sale/disposal.	Within 45 (Forty Five) days from the date of execution of the Stock redemption agreement.
4.	Consideration received from such sale/disposal.	As per the Proposed Divestment to be effected through stock redemption agreement, Cignex US has proposed to purchase its entire 62.51% stake held by DGTL in consideration for an aggregate price of USD 16,568,903, of which USD 7,973,778 will be paid upfront to DGTL and the balance will be paid within 3 (three) years.



5.	Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof.	<p>CIGNEX US (a corporation headquartered in the USA), is a step down and Material Foreign Subsidiary of the company, and is engaged in the business of Offering IT Services, Open Source, Cloud and Automation services.</p> <p>The Company through its wholly-owned subsidiary Company i.e. Datamatics Global Technologies Limited, Mauritius (DGTL) holds 62.51% stake in CIGNEX US.</p> <p>DGTL and CIGNEX US belongs to the promoter / promoter group / group companies.</p>
6.	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".	The transaction is not a related party transaction.
7.	Additionally, in case of a slump sale, indicative disclosures provided for amalgamations / merger shall be disclosed by the listed entity with respect to such slump sale.	Not applicable.



Datamatics enters into a buy-back arrangement with Cignex to divest its stake

November 24, 2020, Mumbai: Datamatics Global Services Ltd. (DGSL), a global Digital Solutions, Technology and BPM company, announced that Datamatics Global Technologies Limited, Mauritius (DGTL), its wholly-owned subsidiary, has agreed to divest its stake in Cignex Datamatics Inc. (Cignex) through a stock redemption arrangement.

The proposed divestment will be effected through a stock redemption agreement, under which Cignex will buy-back the entire 62.51% stake held by DGTL in Cignex for an aggregate price of USD 16.57 Mn of which USD 7.97 Mn will be paid upfront to DGTL. The balance amount will be paid-out within the next 3 (three) years. With this, the earlier deal with Relevance Lab stands terminated.

Cignex Datamatics, is a US-headquartered IT Services firm offering Open Source and Automation services. It contributed 16.25% of the total turnover of DGSL for the year ended March 31, 2020.

Speaking on occasion, **Rahul Kanodia, CEO and Vice-Chairman, Datamatics**, said: “We have worked on the structure and commercial terms to arrive at the proposed arrangement. This is an all cash deal and we are confident that it is beneficial for our Company and its shareholders.”

He further added, “It will free up the management bandwidth, bring a sharper focus, and provide funds to invest in our digital solution strategy which is central to the business.”

The deal is subject to approval by Datamatics shareholders.

About Datamatics Global Services Limited

Datamatics (BSE: 532528 | NSE: DATAMATICS) provides intelligent solutions for data-driven businesses to increase productivity and enhance the customer experience. With a completely 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 a presence across 4 continents with major delivery centers in the USA, India, and the Philippines. To know more about Datamatics, visit www.datamatics.com



Safe Harbour

Some of the statements in this update that are not historical facts are forward-looking statements. These forward-looking statements include our financial and growth projections as well as statements concerning our plans, strategies, intentions and beliefs concerning our business and the markets in which we operate. These statements are based on information currently available to us, and we assume no obligation to update these statements as circumstances change. There are risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our services, the highly-competitive market for the types of services that we offer, market conditions that could cause our customers to reduce their spending for our services, our ability to create, acquire and build new businesses and to grow our existing businesses, our ability to attract and retain qualified personnel, currency fluctuations and market conditions in India and elsewhere around the world, and other risks not specifically mentioned herein but those that are common to industry.

For media queries, please contact:

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