



TURNAROUND CORPORATE ADVISORS PRIVATE LIMITED

A SEBI Registered Category-I Merchant Banker

April 27, 2018

Ref: TCA/FO- DGSL/ Fairness Opinion/18-19

To,

Board of Directors

Datamatics Global Services Limited

Knowledge Centre, Plot No. 58, Street No. 17,

MIDC, Andheri (East) Mumbai- 400093,

Maharashtra

Dear Sirs,

Subject: Fairness Opinion on Share Exchange Ratio for the purpose of:

- A. proposed demerger of Demerged Undertaking of Delta Infosolutions Private Limited (as defined in the proposed scheme) from Delta Infosolutions Private Limited and its consequent vesting into Datamatics Infotech Services Private Limited; and
- B. proposed amalgamation and vesting of Residual Delta Infosolutions Private Limited (as defined in the proposed scheme) into Datamatics Global Services Limited [post demerger as mentioned in point A above),

under a proposed composite scheme of Arrangement under Sections 230 to 232 of Companies Act, 2013.

1. Background:

We, M/s Turnaround Corporate Advisors Private Limited, a Category I Merchant Banker registered with SEBI, having registration no. MB/INM000012290 have been appointed by M/s Datamatics Global Services Limited having its registered office at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai- 400093, Maharashtra ("DGSL" or "Transferee Company") to provide a fairness opinion on share exchange ratio recommended by M/s Bharat Kotak & Co., Chartered Accountants ("hereinafter referred to as "Valuer"), who were the appointed Valuer under a proposed composite scheme of arrangement ("scheme" or "proposed scheme") for the purpose of:





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- A. proposed demerger of Demerged Undertaking of Delta Infosolutions Private Limited as defined in the proposed scheme ("hereinafter referred to as "Demerged Undertaking") from Delta Infosolutions Private Limited ("DIPL" or "Demerged Company") and its consequent vesting into Datamatics Infotech Services Private Limited ("DISPL" or "Resulting Company") ["Part II of the Proposed Scheme/ "Proposed Demerger"]; and
- B. proposed amalgamation and vesting of Residual Delta Infosolutions Private Limited as defined in the proposed scheme ("hereinafter referred to as "Residual DIPL") into Datamatics Global Services Limited ("DGSL" or "Transferee Company") (post demerger as mentioned in point A above) ["Part III of the Proposed Scheme"/ "Proposed Amalgamation"].

2. Brief Background about the Companies:

- A. **Datamatics Global Services Limited ("DGSL" or "Transferee Company")** is an existing company incorporated on November 03, 1987 under the provisions of the Companies Act, 1956. The present registered office of DGSL is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai- 400093, Maharashtra. DGSL 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. With its wide array of solutions, DGSL has developed several proprietary products and innovative solutions through which it caters to over 450 customers across the globe, some of which are Fortune 500 companies. Headquartered in Mumbai, DGSL has a strong presence across the Americas, Australia, Asia, Europe, and the Middle East.

The Equity Shares of DGSL are listed at BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

- B. **Delta Infosolutions Private Limited ("DIPL" or "Demerged Company")** is an existing company incorporated on January 17, 1992 under the provisions of the Companies Act, 1956. The registered office of DIPL is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai- 400093, Maharashtra.





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DIPL is primarily engaged in the business of investing, holding and managing a number of assets, inter-alia, investments in mutual funds, quoted and unquoted shares, debentures, interest in various promoter managed partnership firms and also a strategic investment in the flagship entity of the Datamatics Group i.e. Datamatics Global Services Limited, a company listed on BSE and NSE, and other assets.

The investments held by DIPL is categorised into the strategic and non-strategic in nature. Primarily, strategic investments of the DIPL comprise of the investment in Datamatics Global Services Limited and promoter managed partnership firms, whereas the non-strategic investments held by DIPL consist of investments in both listed and unlisted companies.

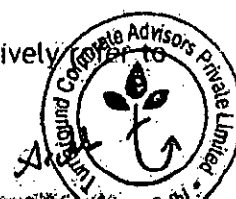
DIPL is holding company of DGSL. As on the date of this Report, DIPL is holding 31,813,742 Equity Shares of DGSL equivalent to 53.97% of Equity Share Capital of DGSL.

C. **Datamatics Infotech Services Private Limited ("DISPL" or "Resulting Company")** is a newly incorporated company, incorporated on March 28, 2018 under the provisions of the Companies Act, 2013. The registered office of DISPL is situated at Knowledge Centre, Plot No. 58, Street No. 17, MIDC, Andheri (East), Mumbai- 400093, Maharashtra.

DISPL, a newly incorporated company, is proposed to carrying business of providing complete data centre, data entry, conversion, data processing services on block time or shared time, self-service or operator assisted basis, technical and management consultancy services in all areas of computers, computer oriented systems, computer programming, facilities management, telecommunication, software publishing and information technology for business, industrial and general purpose requirement on turnkey basis or otherwise in domestic markets and for exports. Further, it will also carry on the business of conducting research on and developing, improving, designing, marketing, selling, licensing and maintenance of software and program products in packages and to orders, relating to accounting, statistical, scientific or mathematical information and reports in domestic markets and for exports.



The term "Companies" wherever used hereinafter in this report shall collectively refer to DGSL, DIPL and DISPL.





3. About Turnaround Corporate Advisors Private Limited:

Turnaround Corporate Advisors Private Limited (hereinafter referred to as "Turnaround" or "TCA" or "we" or "us") is a Private Limited Company incorporated under the provisions of the Companies Act, 2013 with the Registrar of Companies, NCT of Delhi and Haryana. TCA is a Category I Merchant Banker registered with the Securities and Exchange Board of India (SEBI) with Registration No.: MB/INM000012290.

4. Scope and Purpose of the Opinion

This Fairness Opinion is being issued in terms of the requirement of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017. The purpose of the opinion is to safeguard the interest of the shareholders of the Companies and this opinion shall be made available to the Boards of Directors and Shareholders of the Companies at the time of their respective meetings to pass the necessary resolutions for the approving and adopting the proposed scheme of demerger and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or governmental authorities, in connection with the proposed demerger.

This opinion is restricted to meet the above mentioned purpose only and may not be used for any other purpose whatsoever or to meet the requirement of any other laws, rules, regulations and statutes.

5. Sources of the Information

We have received the following information from the management of DGSL for the purpose of our opinion:

- Draft Proposed Composite Scheme of Arrangement under Sections 230 to 232 of Companies Act, 2013 between DGSL, DIPL and DISPL & their respective Shareholders and Creditors.
- Report on share exchange ratio by M/s Bharat Kotak & Co., Chartered Accountants, dated April 27, 2018.

In addition to the above, we have also obtained explanations and other information as considered necessary by us for our exercise from the management of DGSL.



6. Fairness Opinion

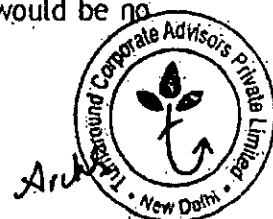
We have reviewed the important factors considered by the Valuer for the purpose of valuation analysis. A brief summary of some of the important factors considered by the Valuer are as follows:

A. With respect to Proposed Demerger

- i. Pursuant to Demerger, it is proposed that consideration would be discharged by way of issue of Equity Shares by DISPL to the Shareholders of DIPL.
- ii. DIPL and DISPL are part of the same group and entire share capital is owned and controlled, either directly or indirectly, by the same group.
- iii. Post Proposed Demerger, DIPL and DISPL would continue to be owned and controlled by the same group in the same proportion as their shareholdings in DIPL in the manner provided in the scheme.
- iv. The purpose of the scheme is segregation of businesses under separate entities for their independent growth.
- v. Upon coming into effect of the scheme, existing equity shares of DISPL held by the shareholders of DISPL immediately prior to the Demerger shall be cancelled as an integral part of the scheme and new equity shares shall be issued to the shareholders of DIPL in the same proportion to their shareholdings presently in DIPL for creation of separate entities with identical shareholding pattern and segregated business.
- vi. Based on representation by the management of DIPL and DISPL, for the purpose of determining share exchange ratio, Valuer has not considered fair value in respect of assets held by these companies as the entire share capital of DIPL and DISPL is owned and controlled either directly or indirectly by the same group; accordingly there will be no change in the beneficial ownership of pre-demerger and post-amalgamation of DIPL and DISPL.

B. With respect to Proposed Amalgamation

- i. DIPL holds 31,813,742 Equity Shares of DGSL. Upon merger of Residual DIPL into DGSL, the shareholders of DIPL would be entitled to the same number of shares of DGSL which they own on the effective date of proposed amalgamation indirectly through their holdings in DIPL. Pursuant to the amalgamation, there would be no change in paid up share capital of DGSL.





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- ii. Shareholders of DIPL shall indemnify DGSL for losses, liabilities, costs, charges, expenses, proceedings or claims including interest and penalties discharged by DGSL which may devolve on DGSL on account of amalgamation of residual DIPL into DGSL but would not have been payable by DGSL otherwise, in the form and manner as may be agreed amongst DGSL and shareholders of DIPL. Thus, DGSL will not bear any expenses pursuant to the amalgamation.

As stated in the Share Exchange Ratio Report, Valuer has recommended the following share exchange ratio:

A. For the purpose of Proposed Demerger

One fully paid up Equity Share of Re. 1 each of DISPL shall be issued and allotted to the Equity Shareholders of DIPL, in proportion to one equity share held by them in DIPL.

B. For the purpose of Proposed Amalgamation

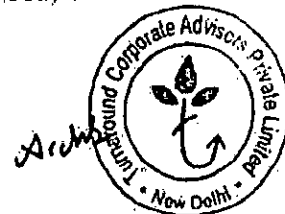
3,18,13,742 (Three Crore Eighteen Lakh Thirteen Thousand Seven Hundred Forty Two) Equity Shares of Rs. 05 each of DGSL be issued and allotted to the Equity Shareholders of DIPL, in proportion to their holdings in DIPL, in the event of amalgamation of DIPL to DGSL.

Based on the information and data made available to us including the Share Exchange Ratio Report and the proposed composite scheme of arrangement and subject to disclaimers as mentioned in this report, we are of the opinion that, the Share exchange ratio, as suggested by M/s Bharat Kotak & Co., Chartered Accountants, is fair and reasonable.

7. Disclaimer:

Our scope of work did not include the following:-

- An audit of the financial statements of DGSL, DIPL and DISPL.
- Carrying out a market survey / financial feasibility for the Business of DGSL, DIPL and DISPL.
- Financial and Legal due diligence of DGSL, DIPL and DISPL.





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It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the management of DGSL.

We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.

We do not assume any obligation to update, revise or reaffirm this Share Exchange Ratio Report because of events or transactions occurring subsequent to the date of this report.

We understand that the management of DGSL during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from the management of DGSL.

The fee for our services is not contingent upon the result of the proposed demerger.

The management of DGSL, DIPL and DISPL or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified in this opinion, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

In no event, will TCA, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For Turnaround Corporate Advisors Private Limited


 (ARCHANA SHARMA)
 Senior Vice President



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