

Datamatics Global Services Limited

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A. RATIONALE OF THE SCHEME

1. Background

Delta Infosolutions Private Limited, the Demerged Company / the Residual Transferor 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 Limited ('BSE') and National Stock Exchange of India Limited ('NSE'), and other assets. The investments held by the Demerged Company / Residual Transferor Company is categorised into the strategic and non-strategic in nature. Primarily, strategic investments of the Demerged Company comprise of the investment in Datamatics Global Solutions Limited and promoter managed partnership firms, whereas the non-strategic investments held by the company consist of both listed and unlisted companies. Further, the earnings generated by the company is in the nature of dividend, interest, and profit on sale of non-strategic investments.

Datamatics Infotech Services Private Limited, the Resulting Company, is a newly incorporated company which will undertake itself in 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.

Datamatics Global Services Limited, a company listed on the BSE and the 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. With its wide array of solutions, the company 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, the company has a strong presence across the America, Australia, Asia, Europe, and the Middle East.



2. Rationale for the Scheme

2.1. Rationale for Part II of the Scheme which deals with demerger and vesting of the Demerged Undertaking of Delta Infosolutions Private Limited into Datamatics Infotech Services Private Limited, on a going concern basis:

It is proposed to divest the Demerged Undertaking of the Demerged Company which mainly comprises of non-strategic investments in an array of financial securities like mutual funds, shares, debentures into the Resulting Company since it is envisaged that the following benefits would, inter alia, accrue to the Demerged Company and the Resulting Company:

- a) The divestment of the Demerged Undertaking from the Demerged Company would allow the Resulting Company to provide depth and focus along with adoption of strategies necessary for its growth and expansion by utilising the liquid and marketable assets of the Demerged Undertaking; and
- b) By demerger of Demerged Undertaking into the Resulting Company, the financial resources will be conveniently merged and pooled with the resources of the Resulting Company, leading to utilisation of resources towards expansion and growth of the business of the Resulting Company.

2.2. Rationale for Part III of the Scheme which deals with the amalgamation and vesting of the Residual Transferor Company, Delta Infosolutions Private Limited (upon Part II becoming effective) into Datamatics Global Services Limited

It is proposed to amalgamate the Residual Transferor Company into the Transferee Company by the Scheme, as a result of which the shareholders of the Residual Transferor Company (who along with the Residual Transferor Company are also the promoters of the Transferee Company) would directly hold shares in the Transferee Company since it is envisaged that the following benefits would, inter alia, accrue to the Transferee Company:

- a) The amalgamation will result in the promoters of the Residual Transferor Company directly holding shares in the Transferee Company, which will lead not only to simplification of the shareholding structure and reduction of shareholding tiers but also demonstrate the promoter group's direct commitment to and engagement with the Transferee Company;
- b) The promoter group of the Transferee Company is desirous of streamlining its holding in the Transferee Company. As a step towards such rationalization, it is proposed to merge the Residual Transferor Company into the Transferee Company;
- c) The promoters would continue to hold the same percentage of shares in the Transferee Company, pre and post the amalgamation. There would also be no change in the financial position of the Transferee Company.



- d) Further, the Scheme also provides that the shareholders of the Residual Transferor Company shall indemnify the Transferee Company and keep the Transferee Company indemnified for liability, claim, demand, if any, and which may devolve on the Transferee Company on account of this amalgamation.

Accordingly, the Board of Directors of Delta Infosolutions Private Limited, Datamatics Infotech Services Private Limited and Datamatics Global Services Limited, have formulated this Scheme for the transfer and vesting of all the assets of the Demerged Undertaking of the Demerged Company into the Resulting Company which would be followed by transfer and vesting of the Remaining Undertaking of the Residual Transferor Company into the Transferee Company pursuant to the provisions of Section 230-232 and other relevant provisions of the Companies Act, 2013 (including any statutory modification or re-enactment or amendment thereof).

For Datamatics Global Services Limited



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

