

Datamatics Global Services Limited

Regd. Office :
Knowledge Centre, Plot No. 58, Street No.17, MIDC,
Andheri (East), Mumbai - 400 093. INDIA
Tel. : +91 (22) 6102 0000/1/2 • Fax : +91 (22) 2834 3669
CIN : L72200MH1987PLC045205
www.datamatics.com



December 14, 2018

To,
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, 5th Floor, BKC, Bandra (E)
Mumbai 400 051.
NSE Symbol: DATAMATICS

Dear Sir / Madam

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

Ref: Composite Scheme of Arrangement 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 Lumina Datamatics Limited ("Lumina Datamatics" or "Transferor Company" for Part II of the Scheme) into Datamatics Global Services Limited ("DGSL" or "the Company" or "Transferee Company" for Part II of the Scheme or "Demerged Company" for Part III of the Scheme) and thereafter demerger of Demerged Undertaking (hereinafter defined) of DGSL into LDR ERetail Limited ("LDR" or "Resulting Company" for Part III of the Scheme), on a going concern basis ("Scheme")

Pursuant to Regulation 30 read with Schedule III of the Listing Regulations, we wish to inform the stock exchanges that the Board of Directors of the Company ("Board") at its board meeting held today i.e. December 14, 2018 have, inter alia, approved the Composite Scheme of Arrangement.

The Scheme, inter alia, provides for the following:

- (i) As part II of the Scheme, amalgamation and vesting of Lumina Datamatics into DGSL.
- (ii) As part III of the Scheme, upon Part II of the Scheme becoming effective, demerger and vesting of Demerged Undertaking (hereinafter defined) of DGSL into LDR, on a going concern basis;
- (iii) The Scheme has an Appointed Date of April 1, 2019; and

Post effectiveness of the Scheme:

- (iv) As part II of the Scheme, equity shares to be issued by DGSL to the shareholders of Lumina Datamatics (other than the Company itself), which will be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE");



- (v) As part III of the Scheme, equity shares to be issued by LDR to the shareholders of the Company such that mirror shareholding as that of the Company is attained; and
- (vi) As part III of the Scheme, equity shares issued by LDR to the shareholders of the Company be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

The Scheme as aforesaid is subject to necessary approvals by the stock exchanges, Securities and Exchange Board of India, shareholders and creditors of the company(ies), as may be applicable, Jurisdictional Bench of National Company Law Tribunal 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 the Company at www.datamatics.com post submitting the same 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 and Annexure II.

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)

a) Name of the entity(ies), forming part of the amalgamation details in brief such as size, turnover etc.;	1. Datamatics Global Services Limited (“Company”):																																
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b) Whether the transaction would fall within related party transaction? If yes,	2. Lumina Datamatics Limited (“Transferor Company” for Part II of the Scheme):																																
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	It is envisaged to merge Lumina Datamatics, subsidiary of the Company, in which the Company holds 98.04%. Hence, the same would fall under the ambit of related party transaction.																																



<p>whether the same is done at "arms' length".</p>	<p>Upon merger becoming effective, the Company would issue 187 shares of INR 5 each for every 100 shares of INR 10 each of Lumina Datamatics to the equity shareholders of Lumina Datamatics (other than itself) The companies have obtained a valuation report from an independent chartered accountant which is confirmed by a fairness opinion given by a SEBI registered Merchant Banker.</p>
<p>c) Area of the business of the entity(ies)</p>	<p>1. <u>Lumina Datamatics:</u></p> <p>It is, inter-alia, engaged in the business of providing e-retail and digital publishing services in content development, design and composition, content transformation, e-books and new media, rights and permissions, QA services, project management, consulting and information services, software development and implementation, assets storage and management, adaptive assessment system, site merchandising, market intelligence and e-Commerce data publishing & e-retail solutions to clients.</p> <p>2. <u>DGSL:</u></p> <p>The Company, listed on 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>
<p>d) Rationale for Scheme</p>	<p>The Company owns ~98.04% of the equity share capital in Lumina Datamatics.</p> <p>The Company and Lumina Datamatics are engaged in varied business. The nature of risk, competition, challenges, opportunities and methods for the business carried on by Lumina Datamatics is separate and distinct from the business carried on by the Company. The business carried on by the Company and Lumina Datamatics are capable of attracting separate set of investors, strategic partners, lenders and other stakeholders. There is also a difference in the manner in which the business of the Company and Lumina Datamatics are required to be handled and managed. In order to lend greater / enhanced focus to the operations of the business of Lumina Datamatics, it is proposed to re-organize / restructure the group structure via this Scheme.</p> <p>The proposed restructuring pursuant to this Scheme is expected, inter-alia, to result in the following benefits:</p> <p>a) Segregation of business of Lumina Datamatics into LDR in the manner provided in this Scheme;</p>



	<p>b) Allowing managements of the each of the Company and Lumina Datamatics to pursue independent growth strategies;</p> <p>c) Provide scope of separate companies for independent collaboration and expansion.</p> <p>The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.</p>
<p>e) In case of cash consideration - amount or otherwise share exchange ratio</p>	<p>The Scheme does not involve payment of any cash consideration</p> <p>In terms of the share exchange ratio under the Scheme, 187 shares of INR 5 each of the Company for every 100 shares of INR 10 each of Lumina Datamatics to the equity shareholders of the Lumina Datamatics (other than the Company itself).</p>
<p>f) Brief details of change in shareholding of listed entity</p>	<p>Shares of the Company shall be issued to the shareholder(s) other than Company itself holding, at present, 1.96% in Lumina Datamatics as per para (e) above. Further, upon the merger coming into effect, equity and preference shares of the Resulting Company (i.e. LDR) will be held by the Company.</p>



Annexure II – Demerger (as Part III of the Scheme)

<p>a) Brief details of the division to be demerged</p>	<p>“Demerged Undertaking” or the “ERetail & Digital Publishing Services Undertaking” (as defined in detail in the Scheme) comprises of business of providing e-retail and digital publishing services in content development, design and composition, content transformation, e-books and new media, rights and permissions, QA services, project management, consulting and information services, software development and implementation, assets storage and management, adaptive assessment system, site merchandising, market intelligence and e-Commerce data publishing & e-retail solutions to clients which is being carried on by Lumina Datamatics Limited at present as a going concern (and which shall vest with the Company as a result of Part II of this Scheme becoming effective), all its assets, rights, licenses and powers, and all its debts, outstandings, liabilities, duties, obligations and employees as on the Appointed Date (being 1 April 2019).</p>														
<p>b) Turnover of the demerged division and as percentage to the total turnover of the listed entity in the immediately preceding financial year / based on financials of the last financial year</p>	<p>The Demerged Undertaking would become a part of the Company upon Part II of the Scheme becoming effective i.e. upon merger of Lumina Datamatics into the Company as Part II of the Scheme.</p> <p>Therefore, assuming that the Demerged Undertaking is already a part of the Company for the limited purposes of disclosure under this Para for the purposes of standalone data, Turnover of the Demerged Undertaking as on March 31, 2018 is as under:</p> <table border="1" data-bbox="667 1518 1422 2125"> <thead> <tr> <th rowspan="2"><u>Particulars</u></th> <th colspan="2"><u>Amount in Crores as on March 31, 2018</u></th> </tr> <tr> <th><u>Standalone</u></th> <th><u>Consolidated</u></th> </tr> </thead> <tbody> <tr> <td>Total Income of Demerged Undertaking</td> <td align="right">113.11</td> <td align="right">237.39</td> </tr> <tr> <td>Total Income of the Company</td> <td align="right">473.60 (including Total Income of Lumina Datamatics)</td> <td align="right">934.70</td> </tr> <tr> <td>% of Total Income of demerged undertaking to Total Income of the Company</td> <td align="right">23.88%</td> <td align="right">25.39%</td> </tr> </tbody> </table>	<u>Particulars</u>	<u>Amount in Crores as on March 31, 2018</u>		<u>Standalone</u>	<u>Consolidated</u>	Total Income of Demerged Undertaking	113.11	237.39	Total Income of the Company	473.60 (including Total Income of Lumina Datamatics)	934.70	% of Total Income of demerged undertaking to Total Income of the Company	23.88%	25.39%
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c) Rationale for the Scheme	<p>The proposed restructuring pursuant to this Scheme is expected, inter-alia, to result in the following benefits:</p> <ul style="list-style-type: none"> a) Unlock the value for the shareholders of the Transferee Company / Demerged Company by listing of the shares of the LDR; b) Enhancing attractiveness of the employees of the business of the Lumina Datamatics by enabling liquidity of ESOP's held by them; c) Allow in creating the ability to achieve valuation based on respective risk-return profile and cash flows, attracting the right investors and thus enhancing flexibility in accessing capital; <p>The Scheme is in the interest of the shareholders, creditors, lenders and various other stakeholders of the respective companies. It is not prejudicial to the interests of shareholders, creditors, lenders and various other stakeholders of the respective companies.</p>
d) Brief details of change in shareholding pattern (if any) of all entities	<p>1. <u>DGSL:</u> There will be no change in the shareholding pattern of Datamatics Global Services Limited on demerger of the Demerged Undertaking of the Company into LDR.</p> <p>2. <u>LDR:</u> Shares of LDR will be issued on proportionate basis to all the shareholders of the Company in a manner to achieve mirror shareholding as that of the Company.</p> <p>Upon demerger, equity and preference shares of the LDR held by the Company (vested upon DGSL) pursuant to Part II of the Scheme coming into effect, shall be cancelled pursuant to Part III of the Scheme becoming effective.</p>
e) In case of cash consideration - amount or otherwise share exchange ratio	<p>The Scheme does not involve payment of any cash consideration.</p> <p>In terms of the share exchange ratio for demerger of demerged undertaking from the Company into LDR, LDR would issue 2,00,00,000 fully paid equity share of INR 5/- each to the Equity Shareholders of the Company, in proportion to their holding in the Company.</p>
f) Whether listing would be sought for the Resulting entity	Yes, shares of LDR shall be listed as mentioned in point (e) above.

