



REPORT OF THE AUDIT COMMITTEE OF INFIBEAM INCORPORATION LIMITED ("INFIBEAM") FOR RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION BETWEEN AVENUES (INDIA) PRIVATE LIMITED ("CC AVENUE") AND INFIBEAM INCORPORATION LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON JULY 13, 2017 AT REGISTERED OFFICE OF INFIBEAM AT 3.00 P.M.

PRESENT:

The following Members of the Committee were present in person:

1. Mr. Keyoor M. Bakshi - Chairman
2. Mr. Vishal A. Mehta - Member
3. Mr. Roopkishan S. Dave - Member

IN ATTENDANCE:

1. Mr. Hiren Padhya - Chief Financial Officer
2. Mr. Shyamal Trivedi - Company Secretary & Compliance Officer

Mr. Keyoor M. Bakshi, occupied the Chair.

1. BACKGROUND

A meeting of Audit Committee of Infibeam Incorporation Limited ("Infibeam") was held on July 13, 2017 to consider and recommend to the Board of Directors the scheme of Amalgamation of Avenues India Private Limited ("CC Avenues") with Infibeam Incorporation Limited and their respective shareholders (hereinafter referred to as "the Scheme") to be implemented under Section 230 to 232 and other applicable provisions of the Companies Act, 2013 and Rules made there under.

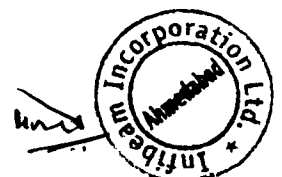
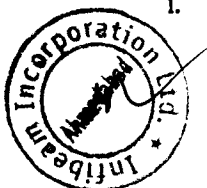
The report of Audit Committee is made in order to comply with the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 issued by SEBI read with Regulation 11 and 37 of the SEBI (LODR) Regulation, 2015, after considering the following:

- a. Draft of the Scheme;
- b. Valuation Report dated July 11, 2017 of Paresh Parekh & Co., Chartered Accountants, Ahmedabad; and
- c. Fairness Opinion dated July 12, 2017 of RBSA Capital Advisors LLP, Merchant Banker.
- d. Audited Financial Statements of Infibeam and CC Avenues for the year ended 31 March 2015, 31 March 2016 and 31 March 2017.

2. Proposed Scheme:

The Salient feature of the proposed Scheme are as follows:

- i. The Scheme provides for amalgamation of CC Avenues with Infibeam;



INFIBEAM INCORPORATION LIMITED

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CIN:L64203GJ2010PLC061366

- ii. The accounting treatment to be followed for the Scheme is in accordance with the principles as laid down in the applicable Indian Accounting Standards and the applicable provisions of the Companies Act, 2013 and generally accepted accounting principles in India;
- iii. The proposed Appointed Date shall be April 1, 2017;
- iv. Consideration – 260 fully paid up Equity Shares of Face Value Rs. 10/- (Rupees Ten Only) each of Infibeam Incorporation Limited (“Transferee Company”) for every 100 fully paid up Shares of Face Value of Rs. 10/- Rupees Ten Only) each of Avenues (India) Private Limited (“CC Avenue” or “Transferor Company”);
- v. Upon the proposed merger being effective, all assets, liabilities, contracts, rights, obligations, etc. of CC Avenues as at appointed date shall stand transferred to Infibeam;
- vi. Upon the Scheme being effective, CC Avenues shall stand dissolved without any further act or deed

The Audit Committee noted that:

- i. The Transferor Company, CC Avenues is engaged in the business of online payment gateway, online reservation solutions for hotels, online events, the brand “CC Avenue” and admission collection solution, etc.
- ii. Proposed amalgamation of CC Avenues with Infibeam would *inter alia* have following benefits:
 - (a) The proposed amalgamation would result in advantage of enhanced revenues by integration of the electronic merchant stores of the Infibeam with the payment processing gateway system of the CC Avenues by consolidating the business of CC Avenues with Infibeam;
 - (b) The proposed amalgamation would enable further expansion of the Infibeam’s business which would benefit the shareholders, as it is expected that the combined entity resulting out of such an arrangement will have better prospects of growth and that this would enable the management of the Infibeam to vigorously pursue revenue growth and expansion opportunities;
 - (c) The proposed amalgamation would lead to increased availability of resources and assets for the Infibeam which can be utilized for strengthening the customer base and servicing existing as well as new customers innovatively and efficiently;
 - (d) The amalgamation would also lead to building a strong infrastructural capability to effectively meet future challenges in the ever-evolving E-Commerce sector and a strategic fit for servicing existing market and lead to increased competitive strength and efficiencies;
 - (e) The proposed amalgamation would create enhanced value for the shareholders and allow focussed strategy in operations, which would be in the best interest of all shareholders, creditors, employees and all persons connected with CC Avenues and Infibeam.

3. Recommendation of Audit Committee:

Having reviewed *inter alia* the Scheme of Amalgamation, the Valuation Report and Fairness Opinion, the Audit Committee hereby unanimously recommends the draft Scheme for favourable consideration by the Board of Directors of the Company, Stock Exchange and SEBI.

There being no other business, the meeting concluded with a vote of thanks to the Chair.

Place: Ahmedabad

Date: 13/07/2017

Chairman of the Audit Committee

